

NEWS SUMMARY

GENERAL

Setback in bid to save beaches

There was a major setback last night in the bid to save East Anglian beaches from further oil pollution when divers trying to secure a tow line to the bow section of the wrecked Greek tanker found they were working directly over a tank full of oil.

The divers, who thought they had been working over a dry tank, stopped work because of the explosion risk. It had been hoped to tow the section out to sea and sink it.

More trouble came when a boom, aimed at preventing the oil from the tanker moving up river towards the Norfolk Broads broke, allowing some oil to get through.

The crisis now hinges on exactly how much oil is left in the bow section, which contains three 1,000-gallon tanks. Back Page.

Carter policy victory near

President Carter appears to be heading for another foreign policy victory as Congressional opposition to his Middle East arms package begins to melt. A compromise is being mooted which could ensure the sale of fighter aircraft to Saudi Arabia, Egypt and Israel.

Meanwhile, Palestinian guerrilla organisations are increasing their troop strength on the occupied West Bank and moving in better equipment, according to Israeli security forces. Fatah and the Popular Front for the Liberation of Palestine are said to be smuggling arms and explosives across the Jordan and even through the port of Haifa. Page 4

Hove still out

Rhodesia's ruling executive council said last night it would not reverse the decision to dismiss Mr. Byron Hove, the black Co-Minister for Justice, but a statement said one member, Bishop Abel Muzorewa, "resigned his position" on the matter. Page 4

Gandhi success

Mrs. Indira Gandhi's Congress Party has won its first parliamentary by-election in Northern India, only a year after crushing general election defeats. Page 4

Breathless

Two chambers have become the first to scale Mount Everest without the use of oxygen, according to reports from the expedition's base camp. The are Reinhold Messner, from Villnöss, South Tyrol, Italy, and Peter Habeler, from Mayrhofen, Austria. Page 4

Hotels hope

Hotel owners on Spain's Costa del Sol last night reopened their hotels and allowed employees back to work, raising hopes of a settlement of a dispute which deprived holidaymakers of service for four days. The hoteliers had locked-out workers who staged a week-end strike to press pay demands. Page 2

Briefly...

Norwegian explorer Thor Heyerdahl and Egyptian desert expert Prof. Mohammed Abdel Fattah Khasas are 1978 joint winners of the \$50,000 Pahlavi Environment Prize. Page 5

Leading snooker players Alex "Hurricane" Higgins and Graham Miles were fined £200 each by tournament organisers after a brawling room scuffle in Caerphilly, Wales. Page 5

The Queen, accompanied by Prince Philip, inaugurated the natural gas terminals of British Gas and Total Oil at St. Fergus, Aberdeenshire. Page 5

Experts have defused a bomb planted in Toulouse Stadium, where France is due to play a World Cup warm-up soccer match against Iran on Thursday. Page 5

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Castain (R.) 300 + 10	Trears 12pc 1983 £104 - 1
Mitchell Cotte Trust 56 + 5	Excheq. 12pc 1985 £20 - 1
Burnish Oil 247 + 8	(£20 pd.) 239 - 1
De Beers Df 247 + 8	Barclays Bank 647 - 13
East Drienteint 555 + 12	Reedham 156 - 6
East Rand Prop. 513 + 13	Rubbly (J.) 225 - 6
Tasminex 82 + 5	
Thiess Holdings 216 + 6	

BUSINESS

Gilts at new low; Equities fall 9

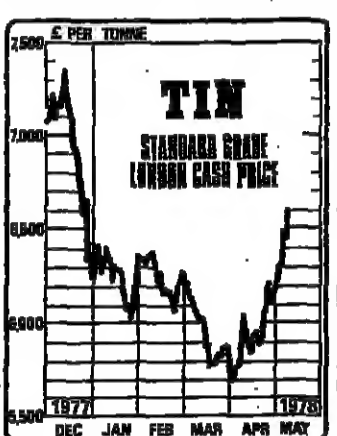
● GILTS were weaker with losses up to one point on the increase in money supply and higher bank base rates. Government Securities Index fell 0.31 to 71.12, a low for the year.

● EQUITIES rally was short-lived on dealer money trends and the CBI survey. FT 30 share index fell 9 points to 471.1. FT Actuaries bank sub-section index lost 3.5 per cent. to 194.61.

● GOLD rose \$2 to \$173. The New York comex May settlement price rose to \$172.30 (\$172.0).

● STERLING fell 60 points to \$1.8120. Its trade-weighted index was unchanged at 61.3. Dollar's weighted depreciation narrowed to 5.00 per cent. (5.11).

● TIN PRICES surged £130 to £8,805 a tonne on the London Page.



● METAL Exchange—tin highest point since December and \$800 up on a month ago. Page 33

● WALL STREET closed off 2.51 at 322.07.

● EUROPE must make further progress towards phasing out the "green pound" and eliminating currency instability, Mr. Roy Jenkins, president of the European Commission, urged. Page 7

● RETAIL sales volume was 1.8 per cent. up in the first quarter over the previous three months, and nearly 3 per cent. higher than a year ago, reflecting consumer extra spending power. Page 6

Civil servants offered closed shop

● CIVIL SERVICE unions have been offered a closed shop with wide exemption provisions by the Government. Terms have been shown to Tory leaders. Back Page

● TUC LEADERS will press the Chancellor to-day to outline strategy for public spending and the future use of cash limits which unions see as a wage restraint mechanism. Page 9

● POWER WORKERS' leader Mr. Frank Chapple ridiculed the idea that a productivity deal just concluded in the industry was within the Government's pay guide-lines. Back Page

● SINGAPORE AIRLINES is expected to sign a contract in New York to-day for jet airliners from Boeing worth more than \$500m. Page 5

COMPANIES

● ROWNTREE MACKINTOSH is making a rights issue of 10.5m. ordinary shares at 345p per share on basis of one for four to raise £36.1m. Back Page and Lex

● LESNEY PRODUCTS turnover rose 12 per cent. to £82m. but pre-tax profits fell from £10.07m. to £8.02m. after a drop in currency gain, in the year to Jan. 28. Page 23 and Lex.

Moro's body found in car

BY PAUL BETTS: ROME, May 9

THE Italian Cabinet called an emergency session to-night after the murder of Sig. Aldo Moro, the Christian Democrat president and five times Prime Minister of Italy. Sig. Moro's body was found abandoned to-day in a car parked within yards of the Communist Party headquarters and the headquarters of his own ruling party.

Italy's major trade unions immediately called a general strike until midnight to-night and a further two-hour general strike to-morrow as a sign of grief and solidarity in the wake of Sig. Moro's murder.

Train services stopped for 15 minutes. Cinemas, night-clubs and many shops closed. Flags were flown at half-mast and crowds gathered in the main squares of Italy's cities. An estimated 50,000 people assembled in Cathedral Square, Milan, and in Rome there was a demonstration at the Colosseum. Crowds also gathered at Christian Democrat headquarters in the Piazza del Gesù.

Sig. Giovanni Leone, President of the Republic, addressed the nation on television to-night and urged firmness against terrorism. "Everybody shares in the guilt for the events which led to the murder, but we must now protect democracy."

A new chance for Italy and Editorial comment Page 20
Timetable of tragedy Page 2

The body of the 61-year-old Christian Democrat leader, who was kidnapped in a bloody ambush on March 16 when his five police bodyguards were killed, was found in a Renault 4 car, covered with a blanket. There were bullet wounds on his head and chest. A post-mortem examination will be performed to-morrow on the body to ascertain exactly when and how Sig. Moro was killed.

As soon as the body was found, Sig. Francesco Cossiga, Interior Minister, went to the scene. It was two hours, however, before police removed the body from the car

because of fears that the vehicle was bomb-trapped. According to reports here to-night, Sig. Moro apparently may have been grazed by a bullet during the ambush near his home on March 16.

Sig. Moro was unshaven, and there was sand in his shoes and turnups suggesting that he may have been forced or dragged across a beach or a building site.

A big but fruitless manhunt has been underway since Sig. Moro's abduction. It became the country's biggest and longest peace-time police and army operation. The failure to unearth any substantial clues on the Red Brigades' movement has raised serious doubts about the efficiency of the country's internal security forces.

The fact that the terrorists were able to-day to drop the dead body of Sig. Moro almost at the doorstep of the headquarters of the country's two major political parties in the centre of Rome has fuelled these doubts.

Continued on Back Page



Sig. Moro's body lies in the boot of a car after its discovery.

Ministers face new Finance Bill challenge

BY RICHARD EVANS, LOBBY EDITOR

SENIOR MINISTERS, having accepted Monday's defeat on the standard rate of income-tax, were remarkably calm, faced the possibility of a further reversal on the Finance Bill in the Commons to-night.

A Conservative amendment raising the starting point for higher rates of tax from the proposed £7,000 a year to £8,000 looks like attracting support from most minority parties, thus making the Government highly vulnerable.

A division seems certain to be close, but the three Plaid Cymru MPs are expected to vote with the Government, saving Mr. Denis Healey, Chancellor of the Exchequer, from further embarrassment.

An unknown factor is whether Opposition MPs, having tasted blood once, will consider they have created enough havoc for the Government, and draw back from insisting on defeat.

The cost of the amendment would be relatively low (£35m. this year and £45m. in a full year) but a defeat would be psychologically damaging following attempts by Ministers yesterday to emphasise the economic dangers of overruling the Chancellor's Budget judgment.

A more wide-ranging Tory amendment aimed at increasing incentives for middle and higher management, by republishing its higher income-tax bands, and reducing the top rate from 85 per cent. to 70 per cent., is unlikely to succeed because of lack of support from the Nationalist parties.

A Government defeat on this

would be particularly harmful, as the cost would be £155m. this year and a substantial £335m. in a full year.

The other major group of amendments to be debated to-day is on the investment income surcharge, when Tories will propose raising the threshold from £1,700 to £2,000. This is not expected to receive support from most minority parties.

The Prime Minister confirmed the Chancellor's statement yesterday that the Government would take no decision on whether to respond to the £270m. standard rate defeat until the Committee Stage of the Finance Bill was completed and the full extent of the reverses known.

With studied coolness Mr. Callaghan brushed off Tory demands for an immediate General Election after the unprecedented defeat.

Mrs. Margaret Thatcher, the Tory Leader, challenged Mr. Callaghan to treat as a matter of confidence an attempt to reverse the defeat on standard rate in the Report Stage of the Finance Bill in the summer.

"If the Prime Minister thinks that 33p in the £ as the basis of income-tax is irresponsible, why does he not take the only course possible to change that basic rate?" she demanded.

The Prime Minister parried the suggestion and accused the Opposition of behaving with the usual irresponsibility. He said the Government would just have to accommodate that as best it could.

"If it is necessary to take further steps the Chancellor will have to do so."

In a reference to to-day's key divisions, Mr. Callaghan said that if further Opposition amendments on raising higher tax thresholds and cutting top rate were accepted, it would not only increase the irresponsibility of the Opposition, "but would also materially increase the difference between the rich and the poor."

There will be one more Committee Stage debate on the floor of the House next Tuesday on Tory new clauses, including standard rate cut, deferment of payment on whisky duty, before the Finance Bill goes "upstairs" in standing committee next Wednesday.

The committee will then meet every Tuesday and Wednesday until the committee stage is completed.

Mr. Enoch Powell, United Ulster Unionist MP for South Down, insisted yesterday that his party's support for the Tory amendment cutting standard rate by 1p did not signal a fundamental shift in the balance of power at Westminster.

But the decision of the seven UUU MPs to overturn Mr. Powell's advice to abstain on the standard rate cut does suggest that the group would make reliable allies once the Liberals pull out of the Lib-Lab pact in July.

● The Government was defeated in the Lords three times on the Scotland Bill, by one vote on forestry powers; 27 votes on airport powers; and nine votes on waterways.

Parliament Page 10

Money supply growth surges above target

BY MICHAEL BLANDEN

THE GROWTH of the money supply increased sharply last month to levels well above the Government's official target range.

The indications are that the main measure, the sterling element of money stock on the wider definition, might have risen 2 per cent. or more in the month to mid-April.

This would take the growth in the financial year as a whole to about 14 per cent., compared with the target range of 9-13 per cent. This target has been superseded by a range of 8-12 per cent. for the current year, which will be revised on a six-month rolling basis.

Preliminary indications of the excessive monetary growth last month were one of the factors which prompted the Bank of England to allow a sharp rise from 7½ per cent. to 8½ per cent. in its minimum lending rate on Friday.

After yesterday's figures and the increase in bank base rates to 9 per cent., the City markets expect a further increase in MLI.

The increase is a big setback for the Government's monetary policy. In his Budget speech Mr. Denis Healey, the Chancellor, was able to claim on the basis of the modest 1 per cent. rise in sterling M3 in the March banking month that the trend of

monetary growth had come back to the desired range.

He said the increase for the financial year, which for the purposes of monetary policy ended in mid-April, would probably be just above the 13 per cent. ceiling but below 14 per cent.

The latest figure comes on top of the 12½ per cent. rise in

the cost of overdrafts was raised yesterday as the big banks announced an increase in base rates from 7½ per cent. to 9 per cent. At the same time, the banks took a cut in margins to increase the rate offered on seven-day deposits by 2 per cent. to 6 per cent. The increase will raise pressure on building societies to lift their rates. Back Page

sterling M3 recorded in the first 11 months of the year.

The explanations of the jump in money supply are not completely clear. The probable reason is an unexpected increase in the Government's borrowing requirement in a month when sales of gilt-edged stocks were at a low ebb.

The indication of the money supply was given by the Bank of England's figures of the

eligible liabilities of the banking system.

Eligible liabilities rose sharply by 3.1 per cent. to £43,300m. The figure is subject to adjustments, but there seems to be no reason to suppose that the increase will not be substantially reflected in the money stock.

Figures published by the London clearing banks suggest that leading in the U.K. private sector, the other possible major source of monetary expansion, was relatively modest. The clearing banks said that in the five weeks their sterling advances in the U.K. private sector rose £150m.

After allowing for seasonal movements, the underlying growth was less than this figure and less than in previous months. There was, however, a substantial increase in holdings of £117m. in commercial bills.

Tables Page 12
Editorial comment Page 20
Lex Back Page

£ in New York	
	May 9
1 month	\$1.8120
3 months	\$1.8120
12 months	\$1.8120

146 BISHOPSGATE
London EC2 Facing Liverpool Street

21,885 sq.ft.
Modern Office Accommodation
Will divide into floors from 4,020 sq.ft. approx.

TO LET

- Automatic passenger lifts
- Fitted carpet throughout
- Central heating
- Entrances from Bishopsgate and Devonshire Row

Richard Ellis, Chartered Surveyors
64 Cornhill, London EC3V 3PS
Telephone: 01-283 3090

Richard Ellis

Accept tax changes, urges CBI

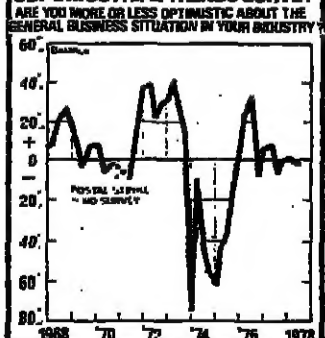
BY JOHN ELLIOTT, INDUSTRIAL EDITOR

LEADING INDUSTRIALISTS yesterday urged Mr. Denis Healey, Chancellor of the Exchequer, to accept the income tax changes that will be debated to-night in Parliament. They said they were needed to restore the flagging confidence in manufacturing industry.

At a special hour-long meeting, leaders of the Confederation of British Industry told Mr. Healey that their latest quarterly industrial trends survey, published yesterday, showed that general business optimism had slightly worsened since last month's Budget. There were few signs at home or abroad that the present general picture of "stagnation" would improve.

The tax changes, being pushed through by the Opposition parties in Parliament would help to restore general business

confidence, and would boost the incentive of middle managers, small businessmen, and skilled workers who had been demoralised by not receiving as



much tax help as they had expected from the Budget.

The confederation urged the propaganda impact of their gloomy survey, coming a day after the Government's Commons defeat, to urge that a new approach was needed.

They also said that their survey, conducted among some 2,000 companies within a fortnight of last month's Budget, contained "rather worrying indications" about redundancies and unemployment during the coming months.

Led by Sir John Mathew, the confederation's director general, Mr. John Greenborough, president, and two senior industrialists, Lord Plowden, of Tube Investment, and Mr. Ray Pennington, of British Leyland, continued on Back Page
Details Page 12

CONTENTS OF TO-DAY'S ISSUE

European news	23	Technical page	16	Ind. Companies	27-29
American news	24	Management page	17	Euromarkets	27-29
Overseas news	4	Arts page	19	Wall Street	32
World trade news	5	Leader page	20	Foreign Exchanges	32
Home news—general	6-8	U.K. Companies	22-26	Farming, raw materials	33
—Labour	9	Mining	26	U.K. stock market	34
—Parliament	10				

FEATURES

Italy and the death of Signor Moro	20	Local council lotteries become big business	30	Trudeau backs away	4
Lasers and uranium enrichment	21	Work-sharing in the EEC	3	Labour re-selection accord	10
		Translink: avoiding insolvency	4	U.S. Real Estate Investment Trusts	27
				FT REPORT	13-15

Appointments	31	Gardening	32	Racing	32	ANNUAL STATEMENTS	
Rain Rates	33	Home Contracts	7	Saltwater	32	Bank of Scotland	24
Blind, Sec. Rates	35	Letters	21	Share Information	34-37	C. T. Swearing	22
Crossword	38	Lux	38	Stock Exch. Report	34	Cive Duncan Hogg	24
Entertainment Guide	38	Lombard	38	Today's Events	35	Fairbairn Lawson	25
European Opt.	38	Men and Motors	38	TV and Radio	35	Lynn and Lynn	25
FT-Actuaries Index	38	Money Market	38	Unit Trusts	35	Harold Perry Waters	30

EUROPEAN NEWS

Ecevit will present arms shopping list at talks in Bonn

BY METIN MUNIR

ANKARA, May 9.

TURKEY is to submit an arms shopping list to West Germany and will make proposals for German assistance in the manufacture of arms in Turkey.

Mr. Bulent Ecevit, the Turkish Prime Minister, who starts a four-day visit to West Germany tomorrow, told a news conference today that during his talks with Chancellor Helmut Schmidt he would take up the question of the supply of German arms.

"We shall also put forward proposals for German assistance in the manufacture of certain defence items and equipment and their sale to NATO countries and other States by Turkey," Mr. Ecevit said.

A meeting was held at headquarters of the Turkish General Staff in Ankara yesterday to draw up the shopping list and the projects for which German assistance would be sought. Mr. Ecevit gave no details today.

Turkey has been starved of arms since the U.S. imposed an arms embargo three years ago because of Turkey's invasion of Cyprus. Mr. Ecevit's Government is drafting a new defence policy, one of the aims of which is to secure arms from a wider range of suppliers.

Turkey placed an arms shopping list with the West Germans, including tanks, aircraft and

missiles, more than two years ago. But a deal could not be completed because Bonn refused to guarantee a long-term loan which Ankara sought. The same difficulty is expected to recur, but perhaps Mr. Ecevit is counting on his special relationship with the West German Social Democrats for a better deal.

Reuters adds from Bonn: West Germany will provide DM130m. (about \$85m.) in credits to Turkey under an agreement signed today in advance of Mr. Ecevit's visit. Officials said the credits would be used for industrial projects including an iron ore plant and a cement works.

Other ways of extending economic co-operation between Turkey and West Germany — its most important trading partner — are also expected to be discussed.

Bonn gave Turkey capital assistance worth DM3.1bn. (about \$1.9bn.) between 1969 and 1977. Officials today said other West German aid to help Turkey through its economic crisis would mainly be channelled through multilateral organisations such as the World Bank and International Monetary Fund.

The two leaders are also expected to discuss the Cyprus question.

Payments resumed, Page 5

EEC uranium sources call

BY DAVID SUCHAN

STRASBOURG, May 9.

THE EUROPEAN Community reserves. He went on to warn that the Community, which in the 1980s will be 80 per cent dependent on outside supplies, should not be "nervously dependent in answer to an MP's question" on any one source of uranium.

Mr. Burke, speaking for the Commission, said South Africa ranked second among non-Communist producers, accounting for 20 per cent of world EEC.

Refining cutback approved

BY OUR OWN CORRESPONDENT

STRASBOURG, May 9.

THE EUROPEAN Parliament would be available to meet any today passed a resolution shortfall.

In a crisis Britain should be ready to share its oil with its capacity in the EEC, but EEC partners, he said, "To look deploring its recent proposal that upon that as a threat to national EEC oil stocks should be cut sovereignty and the right to from 90 to 84 days' consumption, disperse national resources would be a wrong interpretation, dis-

Defending the planned cut in the Commission's support. However, MPs supported the Commission's proposal that the debate and who should shoulder the expense. Herr Brunner made it clear that the Commission's proposal was based upon the assumption that British position vis-à-vis the OPEC North Sea oil, now on stream, countries.

Fishermen to blockade 20 Danish harbours

By Hilary Barnes

COPENHAGEN, May 9.

FISHING VESSELS are setting up an indefinite blockade of 20 Danish ports from midnight to night. The blockade, involving 1,500 craft, will cut off Copenhagen and the island of Zealand from seaward contact with the rest of the world, but the Jutland west coast ports will not be affected.

"We will stay put until we are removed by the military," Mr. Leif Hansen, one of the fishermen's leaders, said today.

Mr. Anker Joergensen, the Prime Minister, has appealed to the men not to start the blockade, which he said, would be illegal.

The fishermen decided on their blockade when the Government refused to meet demands for larger fisheries quotas in the Baltic and financial assistance. The government has promised to put forward proposals at the end of this week to alleviate the fishermen's problems.

The protest began last week when 400 Baltic fishing vessels converged on Copenhagen. Last Friday they staged a four-hour blockade of Copenhagen and several other ports.

The fishermen's quotas have been cut several times this year. They claim they are in danger of going out of business unless they are allowed to catch more fish or receive substantial financial aid.

The Baltic men have been joined by fishermen from other parts, and there were reports today that West German Baltic fishermen were planning to support them.

The Government has promised to call a meeting of the Baltic Fisheries Commission, which sets the quotas for Baltic catches, to reconsider the distribution of the Danish quotas, to speed up the work of the Commission on the future of the fisheries, and to consider temporary financial assistance.

But the fishermen, who are acting against the advice of the two fishermen's associations, called on the Government to meet their demands by today or face the blockade.

The protest is expected to disrupt ferry services between Denmark and Sweden and Germany as well as services across the Great Belt, which link the Jutland peninsula and the island of Funen to Zealand.

U.S.-Soviet arms talks

The Soviet Union and the U.S. have said that they agree on much of the scope of a proposed ban on chemical weapons, but that they are still divided about how to guard against cheating, Reuters reports from Geneva.

Italy humiliated by terrorists' competence

BY ANTHONY ROBINSON

ROME, May 9.

DISCOVERY of the body of Sig. Aldo Moro in the centre of Rome is as humiliating for the Italian State and its security forces as the original capture of the Christian Democrat leader 55 days ago.

Ever since his disappearance, 50,000 police, para-military Carabinieri, and units of the elite finance guards, backed by the armed forces, have manned road blocks, searched areas of Rome and other cities and levelled sections of the countryside.

While all this frantic activity was taking place, including round-ups of Left-wing suspects, small units of the Red Brigades hunted their criminal competence by carrying out their programme of kidnapping and shootings, not to mention attacks on a number of leading com-

panies like the Alfa Romeo car group and Sit-Siemens electronics.

The police have registered a similar lack of success in trying to stem the wave of kidnappings for ransom which has afflicted Italy in recent years. The whole process of law and order has been called into disrepute by the appalling state of Italian prisons, the judicial system, and the apparent slowness and political interference with investigations and trials of a whole series of political and other crimes.

In part this is due to the bad pay and inadequate training of the police forces, rivalry between various arms such as the Carabinieri and the armed public security police, the involvement of senior elements of the

secret service in various right-wing plots and the strong political objections to the formation of a unified police force in a country which endured 20 years of fascist dictatorship.

But the challenge represented by the Red Brigades goes far beyond a challenge to the security forces. They have declared themselves enemies of the Italian State, and of what they see as 30 years of Christian Democrat corruption compounded now by a historical betrayal of the working class by the trade unions and the Communist Party.

The Communist Party, however, helped to write the present Constitution, has worked within it to achieve its present respectability as a potential Government Party and has

insisted throughout this crisis that the State must not be seen to give in to its enemies, especially an enemy whose left-wing credentials it strongly disputes.

If the impenetrability of the Red Brigades is frustrating to the security forces, it is doubly worrying for Italy's Left-wing parties. The Communist Party, in particular, has always prided itself on keeping its ear to the ground. This time that collective ear has picked up nothing.

A highly organised, militant and violent group of self-styled revolutionaries with unknown sympathies in factories, ministries, and at large, it is pledged to the overthrow of the entire

political system and clearly in a position to strike again.

This threat has pulled all the democratic parties together in defence of the State. The State has not ceded to the most appalling psychological pressure and Sig. Aldo Moro has paid for this new found solidarity with his life.

A new consensus now exists for a radical reorganisation of the security forces. But if the Italian State is to survive in a democratic form it has to use this new found unity to tackle the corruption, the alienation of youth, the frustration of unemployment, and all the other problems which have accumulated, unresolved, during 30 years of radical but incomplete transformation into an industrialised, urban society.

Timetable of a tragedy

policies of the Christian Democrat party.

March 29: Sig. Bettino Craxi, the Socialist leader, joins with the Christian Democrats in calling for measures to help capture of kidnappers. Press criticises police for lack of results. Sig. Craxi says: "Law and order can only be restored following the effective reform of the justice and the magistrature."

April 2: The Pope appeals for the release of Sig. Moro and offers to act as an intermediary. Christian Democrats criticise offer, insisting that no deal should be made.

April 3: One hundred left-wingers detained under anti-terrorism measures.

April 4: Red Brigades demand the release of "all Communist prisoners," and Sig. Moro appears in another letter for an exchange: "They cannot forget that my dramatic seizure happened as I was going to the Chamber for the consideration of the Government which I had worked so hard to construct." The Government replies to the Red Brigades that no form of "blackmail" can be acceptable.

April 7: Sig. Felice Schiavetti,

a Genoa industrialist, is

wounded by the Red Brigades. Press reports of a secret deal with the Government. Sig. Moro appears in another letter for the release of all "Communist prisoners."

April 12: Turin prison guard killed in attack by terrorists. One terrorist captured but too seriously wounded to be interrogated.

April 15: Government claims all-party support for "no deal," but some Christian Democrat members favour a compromise for humanitarian reasons.

April 18: Red Brigades announce "People's Court verdict." The interrogation of Aldo Moro is over. He is obviously guilty and has been sentenced to death. Government claims all-party support for "no deal," but some Christian Democrat members favour a compromise for humanitarian reasons.

April 17: Caritas, the Roman Catholic charity, offers to mediate.

April 18: Sig. Moro's body "is at the muddy bottom of Lake Duchessa in the province of Rieti," says message apparently from Red Brigades.

April 19: Frogmen search of lake fails to discover Sig. Moro's body.

April 20: All political parties unite in not giving in to the kidnappers. Red Brigades

communicate denies Sig. Moro is dead and reiterates demand for the release of all "Communist prisoners."

April 24: The Government rejects the demands: "It was noted that the request for an exchange of prisoners was and is unacceptable because it is against the freedom of all against respect owed to victims of terrorism, and against the legal system of the Republic."

April 26: Sig. Giorgio Napolitano, the former Christian Democrat President of the Lazio regional government, is shot in legs in Red Brigades-style ambush.

April 27: Sig. Sergio Palmieri, a Fiat industrial relations executive, is shot in legs. Red Brigades claim responsibility.

April 28: Seven letters from Sig. Moro received by his family and delivered to the President, the Prime Minister, the president of the two Houses of Parliament, to the leader of the Socialist Party and to two Christian Democrats.

May 1: Sig. Moro's family publishes statement condemning in strong terms the Christian Democrat Party's continued in-

sistence on refusing any negotiation with the terrorists. Thousands of Italians demonstrate against terrorism in May Day parades.

May 2: Sig. Andreotti meets Communist and Socialist leaders to discuss Sig. Craxi's proposals on negotiating Sig. Moro's release.

May 3: Some Socialists and Christian Democrats understood to be in favour of granting concessions to kidnapers. However, the Government remains adamant that, although the terrorists could expect "humanitarian" treatment if they released Sig. Moro, there would be no negotiation.

May 4: Officials say they believe the Red Brigades are deliberately trying to split the country's political forces.

May 5: Red Brigades announce, in an apparently authentic communication, that they were "about to carry out the sentence" on Sig. Moro.

May 7: Sig. Moro says in a farewell letter that the Red Brigades are going to kill him "in a little while."

May 8: Red Brigades silent on fate of Sig. Moro, but a Milan doctor, Sig. Diego Fava, is shot and wounded by terrorists.

May 9: Sig. Moro's body found in a car near both the Christian Democrat and Communist party headquarters. Moro's sacrifice, Page 20

Catalan metal workers strike

By David Gardner

BARCELONA, May 9.

METAL WORKERS in the province of Barcelona went on strike today in what looks like the first of a series of stoppages after the breakdown of negotiations in the sector's yearly pay agreement. Early reports from the main trade unions involved in the 24-hour stoppage indicated that over 90 per cent of the 240,000 metal workers had joined the strike.

The metal workers are the most powerful sector of Catalan labour.

Spanish hotel owners agree to lift lock-out

BY ROBERT GRAHAM

MADRID, May 9.

THE MAJORITY of hotels and restaurants on the Costa del Sol could be seriously affected by the fourth day running today, as the pay dispute between the hotel owners and the staff remained unresolved. The dispute has meant that at least a third of the tourists in the Malaga area have left.

Tonight, the Hotel Owners Association on the Costa del Sol agreed to end the lock-out which has been in force since Monday but it was still uncertain whether the hotel staff would agree to return to work before a basis of negotiation had been established.

A meeting of the trades unions involved had decided in the early hours of this morning not to resume negotiations on a new pay agreement until the lock-out was lifted. The civil Governor of Malaga is also understood to have sent telegrams ordering the lock-out to be lifted.

The 48-hour strike is said to have cost the industry Pts.1.8bn. (\$20m.). If a solution is not forthcoming by the end of the week, industry sources say the tourist season on the Costa

del Sol, which has the highest concentration of beds in Spain, could be seriously affected.

The dispute is about wages. But it is also a reflection of the owners' desire to establish a strong presence in a sector where union rights have been single wage agreement covering

AN urgent inquiry has been called for in Madrid following two serious accidents—one on Monday night—in the city's Metro in which 227 were injured. A state takeover of the private company, which runs the underground railway, has also been urged.

del Sol, which has the highest concentration of beds in Spain, could be seriously affected.

The dispute is about wages. But it is also a reflection of the owners' desire to establish a strong presence in a sector where union rights have been single wage agreement covering

AN urgent inquiry has been called for in Madrid following two serious accidents—one on Monday night—in the city's Metro in which 227 were injured. A state takeover of the private company, which runs the underground railway, has also been urged.

seen during the hotel strike of August, which affected a large part of Spain for over a week.

From the management point of view, there is the painful realisation that the days of an industry based on the availability of cheap labour is now drawing to a close. It was the low labour overheads which enabled the hotel owners to provide such competitive prices to the international tour operators.

The rise in the cost of labour and the increased militancy of the trades unions has caused concern among the tour operators and added an element of uncertainty to a previously stable market. According to union representatives, the hotel owners have been told to take a tough stand by the tour operators—and it was this attitude which was a determining element in the decision to implement a lock-out on Monday. A spokesman for the hotel owners declined to comment on this allegation. So far there has been little violent picketing and 19 people arrested over the week-end, were all quickly released.

Our business schedule to Italy gives you more opportunities than any other airline.

Being Italy's own airline, we can naturally offer you more flights. To more Italian cities. Morning, afternoon, or evening. With First Class on nearly every flight.

And, being Italians, we can naturally do more for you once you arrive.

VIP lounges for First Class passengers at the major Italian airports are just the start.

There's also Italtak: low-cost packages to major business centres, flexibly arranged to help you make best use of your time.

There's the Alitalia Jet-Drive: selfdrive arrangements with Avis cars at 16 Italian airports.

And there's the Alitalia/Jolly Hotels Special Plan enabling you to save on hotel bills at any of 28 Jolly hotels throughout Italy.

You can use any of these special offers on any of Alitalia's highly-convenient scheduled services.

Also useful: over 50 Alitalia problem-solving offices, with latest flight information and reservation service. Then there's Alitalia's pocket-size problem-solver: "Business Traveller's Guide to Italy."

Seize your opportunities.

See your Alitalia-appointed travel agent.

Or send the coupon.

To: Alitalia, Distribution Dept., 251 Regent Street, London W1R 8AQ. Please send me the following Alitalia brochures:
☐ Timetable: UK-Italy ☐ Italtak ☐ Business Traveller's Guide to Italy
☐ Jet-Drive ☐ Alitalia/Jolly Hotel Special Plan

Name _____

Address _____

Company _____

Alitalia
 FI 10/5 We'll show the world.

Owen underlines importance of Soviet trade

By Our Foreign Staff

DR. DAVID OWEN, the Foreign Secretary, underlined last night the importance of trade to the success of East-West détente and specifically to the maintenance of good relations between Britain and the Soviet Union.

Speaking to a meeting in the Commons of an Anglo-Soviet parliamentary group, Dr. David Owen said that good relations with Moscow were a "priority" for the British Government.

Detente, said Dr. Owen, was at times a frustrating and slow process and that there had inevitably been setbacks in East-West relations. But a dialogue at differing levels could help eliminate misunderstanding.

A significant part of this dialogue, the Foreign Secretary made clear, was bilateral trade. In 1977, the turnover of U.K. trade with the Soviet Union was about £1bn., he said, and British exports to the USSR totalled about £300m. Dr. Owen hinted that he would welcome more Soviet purchases of British goods, and that this would contribute "not only to better mutual understanding... but also to prosperity and employment in both countries."

The Foreign Secretary made no reference to the row over remarks in Peking by Sir Neil Cameron, the Chief of the Defence Staff, which described Moscow as the common enemy of Britain and China. The tone of Dr. Owen's speech was distinctly conciliatory.

Greek reshuffle hinted

There were persistent reports yesterday of an impending reshuffle of the Greek Government, to take in dissatisfied Centrist MPs, our Athens correspondent writes. Government denials did nothing to quell the reports.

Newspapers said Mr. Constantine Karamanlis, the Prime Minister, had announced his decision to reshuffle and broaden the Cabinet during a meeting at his home on Monday night.

CABINET DE MAITRES
PIERRE PIQUEMAL & ALAIN HUMMEL

Barristers in Bayonne (64100) — 12, rue Thiers — Tel. (59) 25.03.82

Sale at the Court of Bayonne on Monday, 29 May, 1978 at 14.00 hours in Four Lots of The Chateau de Larraldia in Villefranche (France) and its outbuildings

1st Lot — Hostelry of the Chateau de Larraldia 4-star hotel, 21 luxury rooms with bathrooms, lounges and reception rooms, dining-rooms, annexes with restaurant, bar, lounges, bedrooms, bar-solarium, barbecue, conference room, swimming pool, chapel. All conveniences, high standing, 2 telephone lines. Outbuildings on 105,022 sq.m. of wooded land, lawn, parks and pleasure gardens.



2nd Lot — "Le Cheval Roux" Riding Club with stables, maneges and accommodation on 214,781 sq.m. of woodland, lawns and walks.

3rd Lot — Mill of Poyloa with 2,906 sq.m. of land, situated in part on Villefranche and on Saint-Pierre d'Arthe.

4th Lot Building plots covering a total area of 64,914 sq.m.

the whole facing the Pyrénées mountains, 10 km. from the Biarritz-Parme Airport: atmosphere of calm and luxury with numerous nearby possibilities for entertainment: Chiberta Biarritz Chateau golf course, tennis courts in Bayonne, bowling and two casinos in Biarritz and surfing on the coast.

Reserve price: 1st lot — Frs. 1,300,000
 2nd lot — Frs. 40,000
 3rd lot — Frs. 5,000
 4th lot — Frs. 250,000

excluding sale expenses, registration duties and emoluments.

Only barristers of the Bayonne Bar may push up the auction price.

Compulsory lodging preceding the auction in order to bid.

For further information, please contact:

1. Maitres P. Piquemal and A. Hummel, Avocats vendeurs, 12 rue Thiers — 64100 BAYONNE (France) — Tel. (59) 25.03.82 who hold a copy of the tender documents.

2. or any barrister of the Bayonne bar.

For visits, please contact: Maitre Ugaldé, Huissier de Justice, Cité du Palais, Chemin de Marbun 64100 BAYONNE (France) — Tel. (59) 25.00.81.

EUROPEAN NEWS

French unemployment thought likely to rise by almost 50%

BY DAVID CURRY

PARIS, May 9.

FRENCH UNEMPLOYMENT seems certain to increase by almost 50 per cent, by the end of the year to about 1.5m. This is the figure accepted by the main unions as probable and while there exists no Government projection of unemployment, officials in the Labour Ministry are prepared privately to endorse this opinion.

A number of industrial sectors will have to shed workers over the next few months as the Government insists upon its policy of giving priority to efficiency and profitability and sticks to its determination not to help "lame ducks".

Textiles, shipbuilding and steel are the most obvious candidates and there is no prospect of posts being created for workers made redundant since the whole emphasis of the Government's industrial policy is upon the development of France's technological capacity to survive competition internationally, particularly from new entrants to world markets like Korea and Brazil.

In addition, the Government's agreement with the employers last year to provide fiscal concessions for companies who recruited young people has resulted in a number of concerns taking on more people than could be economically justified. These companies are now readjusting their totals mainly by shedding older workers in order to maintain young recruits in jobs.

Indeed, although the employers claim that the "employment compact" with the Government resulted in more than half a million young people finding jobs in the period prior to the election, the unions claim that there was no net increase in employment at all because of this phenomenon of job swap.

Finally, the picture is made more sombre by the sheer arithmetic of school-leavers. Around 600,000 people seek their first job each year, and the excess of new entrants to the labour market over retirements is running at the rate of at least 200,000 a year.

In the last two months, the seasonally adjusted figures for unemployment have begun to rise again after a brief decline around the turn of the year which enabled the Government to wage its election campaign claiming that the situation was under control. But the figures for notified vacancies, which is a more reliable guide as to the trend of the market, have been declining for more than six months.

Norwegian urges joint action on oil exports

By Bruce Andrews

BOUSTON, May 9.

BRITAIN and Norway must work more closely together to capture a share of the export market in oil-related supplies and services, Mr. Trygve Tam Bursveen, Norway's Deputy Minister of Oil and Energy, said in an interview here with the Financial Times.

Mr. Tam Bursveen, who was attending the Offshore Technology Conference at Houston, said there were areas in the oil market where the U.K. and Norway complemented each other.

"We ought to co-operate in the export market," he said. "But if we are to do so successfully, we must first have better co-operation in the North Sea." He added that Norwegian and British Ministers would discuss the subject at a meeting in London next month. He did not see the U.K.'s membership of the EEC as an obstacle to co-operation. "We have to look at it in a pragmatic way."

Mr. Tam Bursveen was not hopeful, however, about the early prospect of Norwegian co-operation with the U.K. over a pipeline network for collecting gas from North Sea fields. "We are not prepared to take a decision on this subject at the moment. We do not have enough gas. I think we may be prepared to look at it at the end of next year when drilling has taken place of the 16 new blocks we propose to allocate this summer and autumn."

In the meantime, Norway was still deciding what to do with the gas from the Statfjord field.

Drilling starts this year on some of the new blocks, he said, the first being the so-called "golden block," 34/10, which had already been allocated. He hoped oil discoveries in these areas would enable Norway to extend its oil production up to the 90m. tonnes a year limit established by the Government. Production from existing oil fields looked like peaking at 60m.-65m. tonnes a year in the 1980s.

The Norwegian Government was also looking carefully at ways of developing marginal fields.

"We are having a status report prepared on each of the fields," said Mr. Tam Bursveen, "and in August we will be ready to listen to proposals from the oil companies."

It was not intended, however, to make any changes in the taxation system.

Asked whether policy had changed as a result of the blow out on the Ekofisk field last year, Mr. Tam Bursveen said Norway had increased its demand for better training of offshore personnel, better organisation and better communications.

"What we thought could not occur did occur," he said. "But while we can and must diminish the risks of offshore accidents of this kind, we must acknowledge that we can never reduce them to zero."

Holland allows extradition of terrorists

By Charles Batchelor

AMSTERDAM, May 9.

ALL THREE members of the West German Red Army Faction held in Dutch prisons can be extradited to West Germany, according to a ruling by Holland's Supreme Court. The Court ruled that one of the men, Knut Folkerts could not be extradited on the grounds of his alleged involvement in the kidnapping and murder of the German employers' leader Dr. Hannu Martin Schleyer, but he could be extradited on suspicion of committing other offences.

The Supreme Court turned down the appeal by Folkerts and by Gert Schneider and Christoph Wackernagel against a lower court ruling that there were no legal objections to their extradition.

Mr. Jacob de Ruiter, the Justice Minister, is expected to decide within the next few days whether the extraditions will take place. If he decides they can, the three men can appeal to the Privy Council. They have already asked the Minister of Justice to classify them as refugees and a decision is still awaited. Folkerts is serving a 20-year sentence for murdering a Dutch policeman.

WORK SHARING IN THE EEC

Fewer hours for the same pay

BY DAVID BUCHAN IN BRUSSELS

BELGIAN TRADE unions now seem well on the way to giving substance to their slogan "36 hours by 1980." They are demanding a standard working week of no more than 36 hours by the end of the decade. Last week some 600,000 public sector workers wrested from their employer, the Tindemans Government, a 36-hour week to start from next year (down from the present nationally agreed maximum of 40 hours). This is likely to be a powerful blow to those private employers who have so far resisted similar concessions.

The Belgian employers' federation, the FEB, has been voicing increasing concern at the unions' progressive success in getting less work time for the same pay. The unions—the socialist FGVB and the Christian CSC federations acting together—say that overall pay must be maintained to keep up purchasing power and consumption in a stagnant economy. The FEB points out that this will inevitably raise unit labour costs that are already, along with West German and Dutch, among the highest in the European Community.

The Belgian unions' drive for a shorter working week comes in the context of a wide push by the European trade union movement for "work sharing." This, the Brussels-based European Trade Union Confederation (ETUC), has been pushing for this to be examined at the EEC level. Possible measures divide into two categories: those that aim to reduce the manpower pool, such as earlier retirement, longer sabbaticals, and those aimed broadly at cutting the amount of work that a worker puts in.

In general, all these measures only reinforce existing trends. For instance, total working time in Western Europe has declined an average of 1 per cent a year between 1960 and 1975. But this has been the result of piecemeal improvements in working conditions. What the European trade union movement now wants is coordinated and accelerated action to solve the pressing, redefining

medium term employment problems. The ETUC has left the national union federations to mull out their individual strategies. The West Germans have sought longer holidays, the French earlier retirement guarantees, and it is the Belgian unions that have most vigorously pursued a reduction of the working week. The importance to the Belgian unions of getting a shorter standard working week is that hours worked above that level count as overtime, are paid as such, and can be strictly controlled under Belgian labour law. The demand for a 36-hour week was first tabled last September, and promptly rejected by the FEB in national negotiations. The unions, undeterred, decide to pursue their goal sector by sector. In January they won a crucial victory, getting a 36-hour week by 1979 for some 5,000 oil refinery workers and tanker drivers.

This was the first industrial sector to give way: previously it had only really been the services, notably banking and insurance, that had granted less than 40 hours. The oil companies, and the Government, which was officially neutral in the dispute but came up with a convenient compromise, were clearly relieved to avoid a threatened stoppage. It was only pressure from the FEB on the oil companies that brought this dispute to the brink of a strike.

But as the FEB privately acknowledges: "We cannot compel our members to commit suicide." After the oil sector settlement, it seems to have been easy progress almost all the way for the unions. A strike of 10,000 Ford car assembly workers demanding reduced working hours was bought off by the company offering a pay rise that workers had not even originally asked for.

But the unions have more than compensated for this setback by subsequent victories in the retail, non-ferrous metal

Belgium), electronics and metal engineering industries. Last week's public sector settlement, which has yet to be ratified by the union rank and file, provided the climax.

So far, the union strategy has been noticeably selective—aimed at those sectors which they reckon can afford to pay more, and leaving aside those such as the textile and construction industries which probably cannot. The FEB also points out that only some 11 per cent of the private sector work force have, since 1975, got negotiated shorter working hours. It is true

The biggest criticism of the Belgian union policy of shortening the working week is that it does not increase employment. Demand is slack and management is glad to cut production.

that the public sector deal came too late to reflect on most of this year's private sector bargaining, nearly all completed for 1978 collective contracts. But it is hard to see further reductions from 38 hours not becoming a condition of the unions' positions in 1979 negotiating rounds. The FEB can justly complain that it has not had the support of Prime Minister Leo Tindemans that it might have expected. Officially, his Government sat on the fence, until with the public sector negotiations it could maintain that posture no longer. The Prime Minister admitted in public, though, that he thought "36 hours by 1980" was going too far, too fast ahead of Belgium's EEC partners when Belgians already worked shorter hours than any of the others.

But Mr. Tindemans has to live with a coalition. Pressure from his Socialist allies and the fear that the rash of strikes, in support of demands for shorter

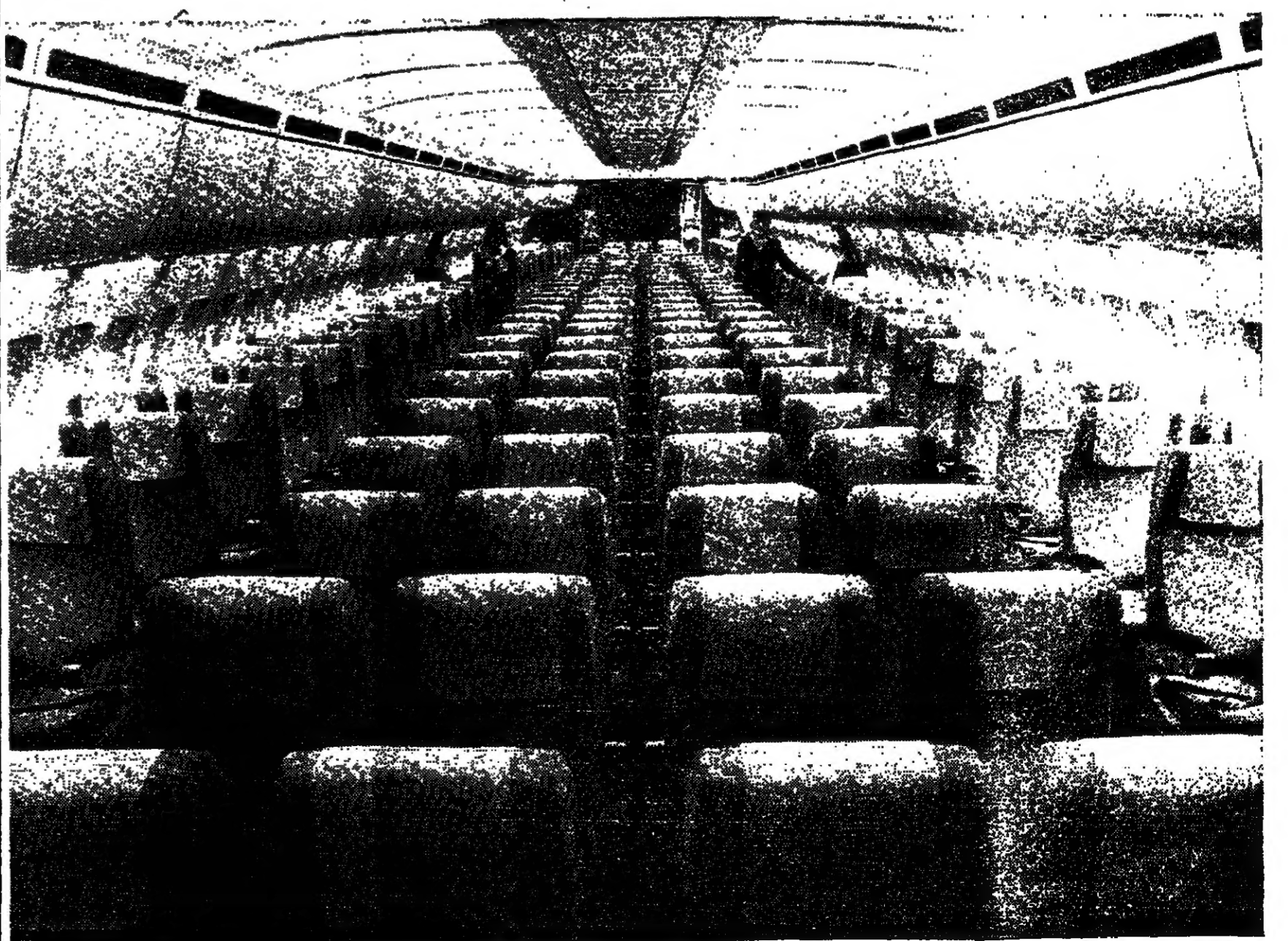
The ETUC admits that a shorter working week will not by itself lead to more employment. It wants supplementary measures such as overtime bans and control on investment to be introduced at an EEC level. The might overcome fears that concessions made in one country might undermine its competitive edge with its EEC neighbours.

The ETUC has found some limited support in the Brussels Commission for a community approach to certain aspects of "work sharing." Mr. Vredeling has said he thinks there is a case for an EEC initiative to control overtime and shift work. Although he is a long way from getting member governments' approval, the idea has found a favourable echo from national employment ministers.

Small text at bottom right of page, likely a photo credit or caption.

'It's like getting into a completely new aircraft every time'

Authentic passenger statement



We have one of the most modern, up-to-date fleets in the world, which is why we take extra special care to keep it looking at its best. And with the care comes the service, with 17 flights a day, including three by the new widebodied A300 Airbus, serving Frankfurt and Düsseldorf.

Other destinations in Germany are: Bremen, Hamburg, Hanover, Cologne/Bonn, Munich, Nuremberg, Stuttgart. Consult your Travel Agency or our Yellow Book Timetable for exact details of all our flights.



Lufthansa
German Airlines

Choose Quality. Choose Hyster.

For a profitable difference to your handling operation, choose the truck with the reputation for performance and durability—the truck that's built to quality, standards and backed by after-sales service you can depend on. Whatever your application, choose Hyster.



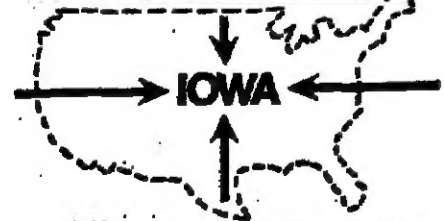
Manufactured in Britain by Hyster. Sold and serviced in Britain by:



Barlow Handling Limited
Head Office: Airfield Estate,
Lutterworth, Leicestershire LE17 4XJ
Caledonian Division: Wardpark South,
Cumbernauld, Tel: Cumbernauld 26081

In Ireland by:
A. H. Messer Ltd. Tel: Dublin 364511
Belfast 617126, Cork 20628

PROSPER



at America's crossroads

- Ideal sites for distribution and manufacturing
- Top labor productivity
- Favorable laws
- Prime opportunities for license, joint ventures
- Available industrial buildings

Contact:
Ron Kraft, Director
Iowa Europa Büro, Dept. FT
Am Schloss
D-6000 Frankfurt/Main 1
Federal Republic of Germany
Telephone: 0611/28 38 58
Telex: (841) 413 322 LCO D

Looking for Industrial Properties in France?

Following the reorganisation of its manufacturing facilities, a large French industrial company has a number of quality plants to offer. These plants are located in various French regions, including the Paris area.

They could be of interest to firms wishing to develop their activities in France and planning to employ 100 to 300 people.

In addition, this French company is ready to study with any interested party its setting up of plant in France, including the training and transfer of the labour force required, and other measures.

For further details, please write to Box F.1013, Financial Times, 10, Cannon Street, EC4P 4BY.

OVERSEAS NEWS

Japanese banking criticised

By Charles Smith, Far East Editor

TOKYO, May 9. JAPAN'S SYSTEM of banking regulations was criticised today by the EEC Commissioner for Financial Institutions, Mr. Christopher Tugendhat, for a "lack of transparency" and for a "lack of bias in favour of domestic banks."

In an interview with the Financial Times, Mr. Tugendhat said he thought the opacity of the system based on case-by-case administrative guidance gave rise to "suspicion and a sense of injustice... What we need is a system in which the parties concerned understand the rules."

Japan's tightly regulated banking system seemed to be appropriate to a small or struggling economy, Mr. Tugendhat noted, but was not consistent with the dignity and position of one of the world's great economic powers. The reform of the Japanese banking system could not be regarded as simply a domestic issue because Japan had outgrown the point where it could please itself in the regulation of its financial affairs.

Mr. Tugendhat said there was a rising feeling of dissatisfaction and worry on the part of foreign banks in Japan at the degree of restraint imposed on them by the authorities. He was careful to stress, however, that the situation did not amount to a crisis and that "a lot of consideration of these problems seems to be going on in Japan."

He described his own mission as an attempt to create a framework for discussion rather than a bid to extract immediate concessions from the Japanese banking authorities. The EEC Commission had not been given a mandate to negotiate with Japan on banking problems. This meant, said Mr. Tugendhat, that his talks with Japan would be less formal and expected to produce fewer concrete results than the EEC-Japan trade negotiations of February and March (which were the result of a mandate given to the Commission by EEC member governments).

Mr. Tugendhat said one complaint against Japan's banking regulations was that they positively forced foreign banks to bring money into the country even though Japan's present financial means that it should be trying to export, rather than import, capital. The system could be changed so as to allow foreign banks greater access to yen funds, he implied. Mr. Tugendhat also criticised controls on the opening of new branches as a de facto form of discrimination against foreign banks.

Rhodesian Executive refuses to reverse sacking of Hove

By TONY HAWKINS

SALISBURY, May 9.

THE CRISIS over the dismissal of the black Justice Minister Mr. Byron Hove apparently remained unresolved to-night when the four-man transitional Executive Council refused to reverse its decision of last month relieving Mr. Hove of his post after a seven-hour meeting.

Bishop Abel Muzorewa, leader of the United African National Council (UANC) who appointed Mr. Hove, reserved his position "the official statement said. The UANC warned after Sunday's meeting, the party was likely to pull out of the agreement unless Mr. Hove was reinstated."

To-night two official statements issued there was no imminent likelihood of UANC withdrawal. Mr. Ernest Bule, the Finance Minister, was to-night said to be flying to South Africa to-morrow with his white counterpart of the Ministry (Mr. David Smith) to meet Senator Owen Horwood, the South African Finance Minister and Mr. J. C. Heunis, the Pretoria Minister of

Economic Affairs. The Rhodesian Ministers will return to Salisbury on Friday.

Perhaps more significant is an official statement to-night stating the four members of the Executive Council will to-morrow address a multiracial meeting at Mrewa in the operational area North East of Salisbury.

This hardly suggests the UANC is on the brink of withdrawal.

To-night's official statement says all four members of the executive—including the Bishop—attended all Executive Council meetings at which the Hove case was discussed. (The Bishop has claimed the decision to dismiss Mr. Hove was made without his agreement and in his absence.)

To-night Rhodesian forces were searching through dense woodland close to the Mozambique border for the guerrillas who murdered two South African soldiers and wounded four others at Inyang's Motel, Casino Hotel, 15 miles from the Mozambique border.

Zambians draw on IMF aid

Zambia has begun drawing from the \$300m. facility negotiated with the International Monetary Fund (IMF) in March. Government sources said yesterday an \$800,000 compensatory financing facility was disbursed last week and the first \$200,000. The balance of the facility was expected to be drawn this week. Mr. Lusaka correspondent writes:

The facility is to be used for balance of payments support. While it is expected to make only a relatively small inroad into the import pipeline of some \$500m, Zambia is clearly hoping that the disbursement will help persuade exporters that the nation's decline has been arrested.

Despite this, the symptoms of the ailing economy continue. The Tanzanian subsidiary of Agip, the Italian oil concern, was accused yesterday of threatening to halt the supply of fuel and other oils to the Zambian Tazama pipeline company unless arrears of Kwacha 100,000 (\$125,000) were paid.

The accusation was made by Mr. Friday Nkhosho, Tazama's managing director, who said fuel supplies for pumping stations and other pipeline facilities would have been halted on Monday if the Bank of Zambia had not arranged for a remittance from the national bank to its short foreign exchange reserves.

Kabul talks

Afghanistan's President Nur Muhammad Taraki has had talks in Kabul with two Pakistani politicians prominently linked with the government in Pakistan's North-West Frontier Province, according to Kabul radio. Reuter reports.

Bangladesh paralysed

Government was paralysed in Bangladesh yesterday when 600,000 low-income workers went on strike for a 15 per cent. increase. Reuter reports from Dhaka. All Government offices, courts and hospitals were forced to close as clerks and other workers failed to report for duty.

Trade surplus cut

Australia's trade surplus narrowed to \$41.15bn. in April, compared with \$41.35bn. a year earlier. AP-OJ reports from Canberra. Exports totalled \$41,004bn., down from \$41,024bn. in April 1977. Imports amounted to \$4,859bn., compared with \$4,809bn. a year earlier. The trade surplus for the ten months to April narrowed to \$3,900m., down from \$4,143bn. for the corresponding period a year earlier.

Message for Mondale

Mr. Walter Mondale, the U.S. Vice-President, has been given a clear message by New Zealanders: the U.S. to give a lead in breaking down trade barriers, Dai Hayward writes from Wellington.

AMERICAN NEWS

Progress on Mideast arms sales

BY JUREK MARTIN, U.S. EDITOR

PRESIDENT CARTER appeared today to be inching his way to another substantial foreign policy victory as Congressional opposition to his proposed Middle East arms sales package began crumbling.

Amid lobbying as intense as that which preceded the Panama Canal votes, several key senators suggested this morning that a compromise solution was in the air which might ensure approval of the purchase of U.S. fighters by Israel, Saudi Arabia and Egypt.

Central ingredients to such a deal would probably include an Administration undertaking to sell more sophisticated F-15 fighters to Israel at some future date, and a written assurance that Saudi Arabia would not base her F-15s so close to the border as to present a threat to Israel's security.

This morning a group of leading senators conferred with Mr. Cyrus Vance, the Secretary of State, who later testified, with the House of Representatives. The House had earlier passed a bill to provide federal guarantees for up to 15 years for \$300m. of city bonds cleared the House of Representatives Banking Committee by a substantial margin but it is recognised that the crucial battle will be in the Senate, notably in the Senate Banking Committee whose chairman, Mr. William Proxmire, has so far greeted the case for helping New York with a marked lack of sympathy.

Mr. Michael Blumenthal, the Treasury Secretary, who is re-examining the case for the Administration's proposals for New York, said yesterday that he had no doubt that President Carter could, if necessary, be involved in rounding up votes in the Senate. Mr. Blumenthal has already met all 15 members of the Senate Banking Committee to stress the need for urgent action, given the fact that the existing federal seasonal loan programme expires at the end of next month.

Senator Proxmire has not yet scheduled hearing of his committee but he indicated today that the city will get a chance to make its case to the committee, "before there's any chance New York will be foreclosed." Both the Senator and the Administration have been urging the city and its employees to reach a responsible settlement, but the talks have been in deadlock for some weeks.

Just as Senator Proxmire appears to believe that middle America wishes him to take a stern line with a city which has a reputation for fiscal irresponsibility, 50 leaders of New York's 250,000 municipal employees believe that they cannot rush into a settlement which they know will be meagre.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Dollar improves in heavy trading

BY OUR OWN CORRESPONDENT

NEW YORK, May 9. THE U.S. DOLLAR gained in heavy foreign exchange trading here this morning, buoyed by firmer U.S. interest rates and indications that OPEC may not increase its oil price this year.

These developments, which have taken place over the last ten days, are helping to confirm the new stability which the dollar acquired in April when, after two months of decline, it gained by slightly more than 2 per cent against other major currencies. As a result, intervention by monetary authorities in Germany, Japan and Switzerland has been reduced.

In early trading in New York this morning, the dollar touched 2.10 against the West German mark, but later fell back to 2.08 on profit-taking. Although some technical lags and lags are still working in favour of the U.S. currency, traders here generally ascribed the momentum today to external factors.

In particular, the week-end meeting in Saudi Arabia of OPEC Oil Ministers soothed anxieties that the weakness of the dollar this year could prompt an oil price rise. Great comfort has been taken from the statement by Sheikh Yamani, the Saudi Oil Minister, that "we don't think there will be an oil price rise this year."

Traders report here that Middle Eastern countries have been far less in evidence as sellers of the dollar recently, and that its overall firmness is also being helped by the Federal Reserve Board's aggressive stance on short-term interest rates. Recent increases in the key Fed funds rate to 7 1/2 per cent, have been well received in the foreign exchange markets.

The Carter administration's close to a two-point rise in closing prices of last night was expressed to-day by Mr. Stuart Eizenstat, the president's chief domestic adviser. Talking to the Democratic Party National Committee's national finance council, he stressed the Fed's

Dr. Harold Brown, the Defence Secretary, in front of the House International Relations Committee.

Senators Clifford Case and John Sparkman hinted that future sales of F-15s to Israel were being promised to make possible approval of the existing package. Frank Church referred to "definite progress" while Senator Jacob Javits, a dissenter.

W. Bank guerrillas step up action

BY DAVID LENNON

TEL AVIV, May 9.

THE PALESTINIAN guerrilla organisations are rebuilding their forces on the occupied West Bank and supplying them with better equipment, according to Israeli security forces.

The recent spate of daily bombing attempts mark an increase in activity, while the rocket attack on Jerusalem at the weekend was the most dramatic demonstration.

Central ingredients to such a deal would probably include an Administration undertaking to sell more sophisticated F-15 fighters to Israel at some future date, and a written assurance that Saudi Arabia would not base her F-15s so close to the border as to present a threat to Israel's security.

This morning a group of leading senators conferred with Mr. Cyrus Vance, the Secretary of State, who later testified, with the House of Representatives. The House had earlier passed a bill to provide federal guarantees for up to 15 years for \$300m. of city bonds cleared the House of Representatives Banking Committee by a substantial margin but it is recognised that the crucial battle will be in the Senate, notably in the Senate Banking Committee whose chairman, Mr. William Proxmire, has so far greeted the case for helping New York with a marked lack of sympathy.

Mr. Michael Blumenthal, the Treasury Secretary, who is re-examining the case for the Administration's proposals for New York, said yesterday that he had no doubt that President Carter could, if necessary, be involved in rounding up votes in the Senate. Mr. Blumenthal has already met all 15 members of the Senate Banking Committee to stress the need for urgent action, given the fact that the existing federal seasonal loan programme expires at the end of next month.

Senator Proxmire has not yet scheduled hearing of his committee but he indicated today that the city will get a chance to make its case to the committee, "before there's any chance New York will be foreclosed." Both the Senator and the Administration have been urging the city and its employees to reach a responsible settlement, but the talks have been in deadlock for some weeks.

Just as Senator Proxmire appears to believe that middle America wishes him to take a stern line with a city which has a reputation for fiscal irresponsibility, 50 leaders of New York's 250,000 municipal employees believe that they cannot rush into a settlement which they know will be meagre.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Carter may help round up votes for approval of New York aid

BY JOHN WYLES

NEW YORK, May 9. PRESIDENT CARTER is expected to become personally involved in efforts to secure Senate approval for a new federal programme to rescue New York City from bankruptcy.

The administration's proposal to provide federal guarantees for up to 15 years for \$300m. of city bonds cleared the House of Representatives Banking Committee by a substantial margin but it is recognised that the crucial battle will be in the Senate, notably in the Senate Banking Committee whose chairman, Mr. William Proxmire, has so far greeted the case for helping New York with a marked lack of sympathy.

Mr. Michael Blumenthal, the Treasury Secretary, who is re-examining the case for the Administration's proposals for New York, said yesterday that he had no doubt that President Carter could, if necessary, be involved in rounding up votes in the Senate. Mr. Blumenthal has already met all 15 members of the Senate Banking Committee to stress the need for urgent action, given the fact that the existing federal seasonal loan programme expires at the end of next month.

Senator Proxmire has not yet scheduled hearing of his committee but he indicated today that the city will get a chance to make its case to the committee, "before there's any chance New York will be foreclosed." Both the Senator and the Administration have been urging the city and its employees to reach a responsible settlement, but the talks have been in deadlock for some weeks.

Just as Senator Proxmire appears to believe that middle America wishes him to take a stern line with a city which has a reputation for fiscal irresponsibility, 50 leaders of New York's 250,000 municipal employees believe that they cannot rush into a settlement which they know will be meagre.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

WASHINGTON, May 9.

He stated flatly that Saudi Arabia had never threatened to take action on the oil price from it she were denied permission to buy the 60P-156.

Last week, in an interview with the Washington Post, Sheikh Yamani, the Saudi Oil Minister, appeared to be delivering just such a warning, but Administration officials have been adamant that it had never formally been given.

It had appeared possible last week that the Senate Foreign Relations Committee would pass a motion disapproving the sales. While not binding on the full Senate, this would clearly have influenced its deliberations.

Now, however, that no such motion will be voted, the committee is due to meet again on the subject later to-day.

The Administration also believes that several members of the 37-man House International Relations Committee may change their minds and back the package.

Central ingredients to such a deal would probably include an Administration undertaking to sell more sophisticated F-15 fighters to Israel at some future date, and a written assurance that Saudi Arabia would not base her F-15s so close to the border as to present a threat to Israel's security.

This morning a group of leading senators conferred with Mr. Cyrus Vance, the Secretary of State, who later testified, with the House of Representatives. The House had earlier passed a bill to provide federal guarantees for up to 15 years for \$300m. of city bonds cleared the House of Representatives Banking Committee by a substantial margin but it is recognised that the crucial battle will be in the Senate, notably in the Senate Banking Committee whose chairman, Mr. William Proxmire, has so far greeted the case for helping New York with a marked lack of sympathy.

Mr. Michael Blumenthal, the Treasury Secretary, who is re-examining the case for the Administration's proposals for New York, said yesterday that he had no doubt that President Carter could, if necessary, be involved in rounding up votes in the Senate. Mr. Blumenthal has already met all 15 members of the Senate Banking Committee to stress the need for urgent action, given the fact that the existing federal seasonal loan programme expires at the end of next month.

Senator Proxmire has not yet scheduled hearing of his committee but he indicated today that the city will get a chance to make its case to the committee, "before there's any chance New York will be foreclosed." Both the Senator and the Administration have been urging the city and its employees to reach a responsible settlement, but the talks have been in deadlock for some weeks.

Just as Senator Proxmire appears to believe that middle America wishes him to take a stern line with a city which has a reputation for fiscal irresponsibility, 50 leaders of New York's 250,000 municipal employees believe that they cannot rush into a settlement which they know will be meagre.

Both sides are staging an elaborate public bluff which may yet rebound because of strong feelings among city workers that they have already made adequate sacrifices over the past three years. They have been limited to cost-of-living adjustments and recent indications that inflation may be running at an annual rate of 7 per cent are increasing demands for a substantial pay rise.

Argentine occupation 'illegal'

By Our Foreign Staff

ARGENTINA has "illegally" occupied a British island in the south Atlantic, a dependency of the Falklands Islands group, for almost 18 months, the British Foreign Office confirmed yesterday.

Britain has protested to Argentina but so far the Argentinians have taken no steps to remove their presence on the previously uninhabited island. In London yesterday, the Falklands Islands committee stated that the Foreign Office had asked them to keep silent about the Argentine occupation.

A Foreign Office spokesman said that Argentina established a scientific station of about 50 people on Southern Thule in December 1977. Southern Thule is part of the South Sandwich Islands, about 1,400 miles from Argentina and well to the east of the Falklands, which are a British colony.

The Foreign Office said: "We protested to the Argentinians, whose activities are purely scientific. The Argentine view of that this is in support of their Antarctic programme, in which the British Government co-operates." But the spokesman claimed that the Argentine occupation was illegal.

The Falklands Islands committee said the Argentine occupation of Southern Thule was typical of the steady encroachment by Argentina on British territory in the south Atlantic, adding that the South Sandwich Islands were not in the Antarctic and were outside treaty limits.

Dr. David Owen, who will consider making a statement on the reported occupation, the Prime Minister, Mr. James Callaghan, said in the Commons yesterday.

Federal scheme for big cut in Amtrak network

By Our Own Correspondent

NEW YORK, May 9.

THE DEPARTMENT of Transportation has proposed a 30 per cent cut in the rail network of Amtrak, the U.S. national passenger railway, as a means of curbing the railway's increasing demands for federal subsidies.

But the department's proposals, which echo those of Britain's Beeching plan of the 1960s, look likely to prove too drastic for Congress, which has final authority over Amtrak's structure and which contains many members determined to maintain services to the local community.

Mr. Brock Adams, Transportation Secretary, said yesterday that the plan to cut Amtrak's 27,000 mile network by 8,100 miles would save \$500m. to \$600m. in federal subsidies between 1979 and 1985.

The plan would maintain services to the 38 largest U.S. cities but would drop Dallas, Omaha, Salt Lake City and Williamsburg, Virginia, among others, from the network.

Last year, Amtrak needed a \$450m. federal subsidy to maintain its operations. According to Mr. Adams this could rise to \$1bn. by 1985 if no corrective action is taken.

The Senate Banking Committee rejected yesterday an effort to cut off Export-Import Bank credit to South Africa. AP-J reports from Washington. The committee approved a bill.

The President's authority to determine which nations are eligible for credit, and to require him to consult the U.S. national interest and the stand of the potential recipient country on human rights, emigration, nuclear proliferation, environmental protection and other issues.

U.S. charges Gulf with membership of uranium cartel; Canadian Vickers talks off; Ford faces recall order—Page 37

Quentin Peel, recently in Transkei, reports on the Republic's problems

Avoiding insolvency

THE SHOWPIECE of South Africa's policy of separate development, the Republic of Transkei, is rapidly degenerating into a tragic parody of the problems of Third World development. A combination of political autocracy and financial incompetence are leading the impoverished tribal homeland rapidly towards a financial crisis, or even into insolvency.

The heart of the problem for Chief Kaiser Matanzima, the first homeland leader to accept independence, 18 months ago, from Pretoria, is the lack of international recognition of Transkei. It is a capital offence for any Transkeian to question the sovereignty of the state. Such a Transkeian threat, or top of a far-reaching complex of security legislation providing for detention without trial, is an indication of the extent of the rule by Chief Matanzima. The desire to prove his genuine independence was certainly a major factor in his decision to break off diplomatic relations with South Africa on April 20. It is also the driving force behind all efforts at economic development.

Senior officials and financial advisers from Transkei are currently negotiating for a major international loan. The Minister of Finance, Mr. Tshepo Letlaka, has announced that at least R100m. (\$25.25m.) is needed, and has urged sources, charged that as much as R200m. could be sought. According to the sources in Umtata, the capital, the Transkei Government is negotiating through a Californian financial house for a loan from unspecified Middle Eastern sources, with a term of at least 20 years, and an interest rate of around 8.5 per cent, underwritten by the fact that the South African Government has largely withdrawn from international capital markets because of the high premiums demanded of it.

Chief Matanzima is confident of raising the money he needs. "I think you had better leave the whole thing to us," he said in an interview with the Financial Times. "We have no difficulties about it. We have friends in the international world." He is, however, caught in a severe dilemma. In the absence of international recognition, Transkei is unable to obtain aid or soft loans from the normal sources for developing countries, such as the U.N. agencies and the World Bank. His only alternatives are the South African Government or private capital.

South Africa already finances more than one third of the Transkei budget, but any major increase of aid is seen as tantamount to a de facto recognition of Transkei's status of independence. "South Africa does not want to be seen as the well-nursed Transkei," according to one seconded South

African official in Umtata. "If they want us to go to them begging, we have no such intention," says Mr. Letlaka.

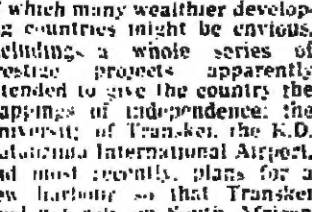
The Transkei Government, however, has a planned programme of capital developments of which many wealthy developing countries might be envious, including a whole series of prestige projects, apparently intended to give the country the trappings of independence: the University of Transkei, the K.D. Matanzima International Airport, and most recently, plans for a new harbour so that Transkei need not rely on South African ports.

On the subject, Transkei has made some spectacular progress in developing what has never been more than an impoverished labour reserve for the South African economy. Building is in progress on every side of Umtata. It already has boasted a rectortelecom tower and a National Assembly building. Government officials are now moving into a new 12-storey office block.

Much of the housing is new, to cater for new civil servants, government ministers, and executive advisers and businessmen. The town now has an "international" hotel on its local Holiday Inn, opposite the site of the 157m. (\$39.5m.) university. In Butterworth, the only other significant town, 15 new modest-scale, were installed in



Chief Kaiser Matanzima



the first year after independence—more than in the previous three years put together. Some 4,000 new houses have been built for the factory workers, black and white. Independence undoubtedly brought a small boom to the local economy, as well as to those of the nearest towns of "White" South Africa.

Chief Matanzima is now accelerating his spending plans drastically, the latest budget provides for an increase of Government spending of well over one third, from R240m. to R330m. (\$82.5m.). Rather more than R100m. represents the immediate cost of capital spending in the current year. Major items are R25m. on roads and bridges, R17.5m. on education and forestry, almost R8m. on administrative buildings, and some R10m. on the university.

Mr. Letlaka is budgeting for a deficit of some R96m.—the sum he needs immediately to raise on the international market. But he is also launching several major schemes which will need financing later. They include a R34m. integrated health scheme, of hospitals, clinics and dispensaries; a R20m. and the airport extension required to accommodate international flights (R25m.).

The most grandiose scheme is for a new harbour at Umzimvubu. On the strength of a survey carried out by French consulting engineers, the Government has decided to set up a company to build the harbour and an associated industrial zone as a free port. A very rough calculation of the first phase, for two quays and a dock, put the cost at R125m., while two further docks are planned, as well as an industrial area and housing on what is currently virgin land. The cost of building road and rail communications for the port has been calculated. The Government will take a half share in the company, financed in part by handing over the necessary 125 square kilometres of land. A private consortium will take the other 50 per cent.

Mr. Letlaka insists that the harbour plans are no "pipe-dream." "International finance will be attracted by establishing Umzimvubu as a free port where import and exports are liberated from customs fees and charges," he says. "This constitutes a very strong attraction to industrialists, business men and financiers. Inquiries from American, French, Swiss, Italian and Spanish sources have already been received."

Transkei is, however, desperately lacking both sound advice and the economic backing for developments on the scale planned. Agriculture, the one

area where the country boasts real potential, remains a relatively low priority, whereas the expensive process of establishing factory jobs—where 150 jobs cost around R1m. in government spending—strongly promoted. According to a strongly promoted Transkei Government—and in the absence of reliable figures—some 90 per cent of the country's food requirements still have to be imported from South Africa, despite the fact the homeland contains some prime agricultural land.

Apart from two enormous schemes, the only notable agricultural development has been the encouragement of contour ploughing, which has alleviated the worst of the erosion caused by the farming methods. But without increasing yields at all, the strategy appears to reflect that of the South African Government in developing homelands. "You cannot disturb the traditional land relationships

WORLD TRADE NEWS

Boeing wins £500m. order from Singapore Airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINGAPORE AIRLINES, one of the most rapidly expanding airlines in the world, is expected to sign a contract in New York to-day for new jet airliners from Boeing worth over \$2.1bn. (Singapore) or more than £500m. This will be one of the biggest single aircraft orders ever announced.

SIA said in Singapore yesterday that the deal would include firm orders for ten Boeing 747 long-range jumbo jets, and four short to medium range 727s, with options on a further three jumbos and two 727s.

The airline said that it proposed to sell its existing fleet of seven Boeing 747s equipped with early models of the Pratt and Whitney JT-9D engines, and over a third of the latest versions 747 passenger service to San Francisco in April next year.

Hitherto, the airline has concentrated all its expansion on its routes to Europe, but it now intends to develop also its links with the U.S., where it sees a big market in tourist traffic as well as in cargo. The Pacific basin becomes more and more an American tourist travellers' province.

Another reason for Singapore Airlines' fast growth is good service. A recent independent survey of travellers named the airline as the most popular in Asia.

● AN ORDER for a Rolls-Royce-powered TriStar from Delta Airlines brings the total bought this week to four. Saudi Arabian Airlines bought three on Monday, bringing their total to 13. The four together are worth more than £30m., of which some £15m. is for 12 Rolls-Royce RB 211 engines.

U.K. sales to S. Africa down

BY BERNARD SIMON

JOHANNESBURG, May 9.

BRITAIN MAINTAINED its Africa's gross export earnings. Japan (from R599.7m. to R625.8m.), Belgium, Spain, Italy, South Korea and Sri Lanka.

Exports to the U.S., however, rose steeply from R459.7m. in 1976 to R787.5m., raising it from fourth to second place among foreign markets. The rise was chiefly due to increased purchases of Kruggerand gold coins and steel. The U.S. was followed in importance by Japan, West Germany, France and Switzerland.

Among the countries that bought less from South Africa last year than in 1976 were Sweden, Finland, Canada and Venezuela. In the latter case the drop was entirely due to a sharp drop in maize shipments.

Chinese steel mission planned

BY COLINA MacDOUGALL

AN IMPORTANT Chinese steel mission will arrive on Friday for a 17-day tour of British iron and steel plants. It will be led by Tang Ke, Minister of the Metallurgical Industry, and is expected to meet the industry and trade secretaries, Mr. Eric Varley and Mr. Edmund Dell.

The group will also meet Sir Charles Villiers, chairman of British Steel, and Sir John Buckley, chairman of Davy International, both of whom went to China last autumn. The present Chinese visit follows up their discussions in Peking and the November tour of Britain by the Chinese Foreign Trade Minister, Li Chang.

The Chinese group is due to visit British Steel plants in Scotland, Wales, and north-east and the Sheffield area. They will also view private sector equipment belonging to Davy International, Firth Brown, Osborn Steel and

GEC. They are expected to examine advanced technology, the production of special steel, research work and management methods.

The Western world is currently inundated with Chinese delegations viewing advanced technology. Another large group of senior officials led by Ku Ming, vice-minister of the State Planning Commission, is already in London, others are in France, Italy and the U.S. and more are due both here and elsewhere. Peking has already made it clear that foreign technology will figure strongly in its ambitious industrial development plans, so its present inquiries will in due course almost certainly lead to substantial purchases.

Hart approves £50m. India grant

MRS. JUDITH HART, Minister for Overseas Development, has approved the allocation of £50m. to India from aid funds as a grant for the purchase by the Government of India of British goods and services for the power sector.

The grant will finance a wide range of new equipment, spares, components and materials—all available from Britain and re-

Turkey resumes payments for imports

By Metin Munir

ANKARA, May 9.

TURKEY RESUMED limited import transfers to-day after an interruption of 14 months. They had been stopped in February, 1977, because of a severe shortage of foreign exchange other than that for oil and other emergency goods.

By the end of last year the backlog had grown to \$2.5bn. Of that total, which has grown little in the past four months, \$1.8bn. corresponded to imports that have been delivered.

The transfers, by the Central Bank, will be regulated according to a programme of priorities.

According to Finance Minister Ziya Mueszinoglu, the list of priority goods "is headed by the urgent requirements of our economy like iron and steel, petrochemical raw materials and products, coal, fertilisers, pharmaceuticals, various basic requirements of our industry like spare parts.

Apap from those, Mr. Mueszinoglu said, in particular industrialists' awaiting transfers and other transfers of given sizes, which he did not specify, would be made according to their chronological order.

Mr. Mueszinoglu said his purpose was to meet the urgent requirements of industrialists and exporters, expand capacity usage in plants "which have come close to stopping manufacture."

He added that a \$50m. fund had been set up to promote exports. Transfers would be increased with the availability of new resources.

How much funds the Central Bank has available for import transfers has not been disclosed but it is believed that the bulk of it consists of a \$150m. tranche made available under a recent agreement with the International Monetary Fund.

Japanese group's visit to Europe seen as a success

BY CHARLES SMITH

TOKYO, May 9.

NO MAJOR arguments developed during the recent mission to Europe by the Japanese Federation of Economic Organisations (Keidanren) because the explosive problems which had existed during the previous Keidanren visit in October 1976 had been substantially solved, Mr. Toshiwo Doko president of the organisation said to-day.

Mr. Doko, who led both missions and made European headlines when he took the brunt of resentment over Japan's trading practices in 1976, said he felt five major sources of friction had existed at the time.

These involved "excessive" Japanese penetration of the EEC markets for cars, ships, steel, ball bearings and colour TVs. All five problems had since been dealt with through various Japanese "restraint" measures and no comparable difficulties had cropped up in other industries.

Mr. Doko said there had been demands for better access to the Japanese market for products during Keidanren's April mission

but these did not develop to the level of confrontations.

The major unsolved problem in EEC-Japan relations—how to handle trade in farm products—was a problem for governments rather than for businessmen, Mr. Doko said.

It had been discussed recently between Mr. Nobuhiko Ushiba (Japan's Minister for Overseas Economic Relations) and Mr. Wilhelm Haferkamp (EEC Commissioner for External Relations).

Mr. Doko said Keidanren had agreed at talks in Brussels with UNICE (the European Federation of Business and Employers Organisations) that Japan and the EEC should pay more attention to multilateral problems in future rather than confining themselves strictly to bilateral issues.

He also said that there had been a recognition that areas of competition between Japan were likely to increase and should be identified as far as possible in advance.

Mr. Doko saw an advance into high technology as the solution to

GKN may win £190m. E. German plant deal

By Leslie Collier

EAST BERLIN, May 9.

EAST GERMANY is expected shortly to sign one of its largest contracts with a Western company to build and equip a factory producing transmissions for a new East German car.

Guest Keen and Nettelford (GKN) of the United Kingdom and Citroen of France are front-runners in negotiations for the £190m. contract.

Both sides have agreed to be paid largely in compensation that is to receive transmissions from the plant, which would be built at Zwickau, where the tiny Trabant, which has a two-stroke engine and a glass-fibre body and is Eastern Europe's cheapest car, is produced.

The East Germans have been informed that the U.K. has agreed to ensure the full credit in sterling.

GKN and Citroen teams are in East Berlin negotiating with the country's foreign trade organisation, Industrie-Anlagen Import. Bankers from Morgan Grenfell and Credit Lyonnais are participating on their respective sides.

East Germany has been talking to Western car companies on and off for years, among them General Motors, BMW and, most recently, Volkswagen, on various projects, but this is the first time one of them has reached serious negotiations.

The East Germans are also holding talks with Renault on a four-cylinder engine, which would be built under licence. The two-stroke engines powering the Trabant and the Wartburg, the country's more expensive car, are regarded as prominent sources of pollution and are to be replaced in a newly designed East German car.

The projected transmission plant would also turn out units for a future Czechoslovak Skoda car.

Dell fears reaction to protectionism

FINANCIAL TIMES REPORTER

THE "DEEP concern" voiced last week by Count Otto Lambsdorff, West Germany's Economics Minister, about escalating protectionism, was echoed yesterday by Mr. Edmund Dell, Britain's Secretary of State for Trade.

But Mr. Dell criticised Count Lambsdorff for omitting two important considerations in his analysis—the EEC's protectionist attitude in agriculture and the internal political pressures to which governments are subjected.

Speaking at a Foreign Press Association lunch in London, Mr. Dell said he shared Count Lambsdorff's concern, drawing particular attention to the risks of retaliation by other countries arising from protectionist actions. "In our trade in manufactured goods," he said, "there is indeed a real danger of retaliation if we use the great commercial strength of the Community in ways which disregard the interests of our trading partners."

However, Mr. Dell pointed out that the threat was not confined to manufactured goods. "I find quite as much objection among our overseas customers to the protectionism of the Community in agriculture," he said, adding that in that area the EEC had indeed received specific threats of retaliation. That consideration had been omitted from Count Lambsdorff's analysis.

There might, he conceded, be "domestic political reasons" for such coolness over competition in agriculture. But that, Mr. Dell argued, was another consideration Count Lambsdorff had omitted from his analysis.

Such pressures, grow, Mr. Dell said, "especially where economic depression makes the problems of adjustment to more efficient competitors so very difficult."

He cited as an example the West German Government's support for such "anti-competitive market-sharing proposals" as the U.N. liner code.

Mr. Dell concluded that if trading nations concentrated on realistic appraisals of their economic circumstances and the kind of co-operation they required, "I have some hope that we will find accommodations to maintain the structure of the open trading system."

AUSTRIA'S MOTOR MARKET

Hopes for home industry

BY PAUL LENDVAI IN VIENNA

THE DETERIORATION of this year. January registrations of Austria's visible trade balance were down 80 per cent. on December and 48 per cent. down on a year earlier. Economists estimate that the import bill for cars this year will fall by at least 60 per cent. to Sch.7.5bn. That in turn should help to reduce the aggregate trade deficit from Sch.7.4bn. in 1977 to Sch.5.3bn. this year.

West Germany has traditionally dominated the market, with 59 per cent. of car registrations and 51.5 per cent. in estate cars. France and Italy have also been doing well, with market shares of 12.9 per cent. and 11.3 per cent. respectively. France last year sold almost four times as many cars as the United Kingdom and about 12 times as many estate cars. Yet only a few years ago Britain was ahead of France in Austrian car imports.

Last year Britain sold 6,372 units compared with 7,442 a year earlier. Despite the unprecedented buying spree, the U.K. sold fewer cars than before with its market share falling from 5 per cent. to 3.3 per cent.

Meanwhile Federal Chancellor Bruno Kreisky and the former chief of the nationalised holding company, OETAG. Dr. Franz Geist, last year began to discuss launching an Austrian car industry.

Austria was to produce a so-called "Austro-Furche" in co-operation with the German concern, mostly for export, but that project collapsed. A smaller project was completed with Renault, setting up a foundry

and component plant in Gleisdorf, Styria. Renault has a 51 per cent. holding and the rest of the Sch.30m. capital is divided between OETAG, Creditanstalt Bankverein and the Elsassische Bank in Vienna. Talks are also going on with Chrysler and Lancia.

Public attention, however, has now turned to the Soviet Union. Last month the Soviet Deputy Minister of the Automobile Industry had talks with Chancellor Kreisky and some motor companies and the Chancellor says there is a good chance for joint production of 200 heavy lorry-dumpers a year.

Austria would provide the diesel engines and electrical components. It might mean contracts worth Sch.1bn. for Simmering-Graz-Pauker, the heavy engineering company, alone.

However, it is doubtful whether another Austro-Soviet project—to assemble Lada here—will even be completed, since sales prospects in Austria are not bright and exports may lead to complications with the EEC.

The most successful venture so far appears to have been by the Austrian Steyr-Daimler-Puch company and the West German Mercedes-Benz company, for joint manufacture of an up-market cross-country vehicle. The Sch.700m. plant, in Graz, will go on stream at the end of this year with an initial capacity of 25,000 units possibly rising to 50,000 a year.



BANK OF SCOTLAND

BASE RATE

The Bank of Scotland intimates that, as from 10th MAY, 1978, and until further notice, its Base Rate will be increased from 7½% per annum to 9% PER ANNUM.

LONDON OFFICES—DEPOSITS

The rate of interest on sums lodged for a minimum period of 7 days will be 6% per annum, also with effect from 10th May, 1978.

Keep it clean, fellas



"Yeah! You up in the corridors of power ready to sign that order for a new fork lift truck. Battery electrics rule—OK?"

"Alright, we know they cost more to buy. But who wants to drive a noisy engine-truck all day—exhaust fumes and all? Would you have one in your office?"

"It's the truck that needs to be tough, not the driver—and battery electrics are tougher than you think, especially with Chloride batteries fitted—OK?"

"So keep it clean, fellas!"

Chloride Industrial Batteries Limited,
P.O. Box 5, Clifton Junction, Swinton, Manchester M27 2LR.
Telephone: 061-794 4611. Telex: 669087.

CHLORIDE

PURE POWER

HOME NEWS

Dock site for fish market approved

By Paul Taylor, Industrial Staff

PLANS TO transfer Billingsgate fish market from the City of London to a new site in the West India Docks were approved yesterday by the Dockland Joint Committee.

The scheme, which has the tentative approval of Mr. Peter Short, Environment Secretary, was passed by Greater London Council and local council delegates on the committee's Land-Road sub-committee without objection.

The London Fish Merchants' Association has chosen the new site comprising Shed 36 and about 13 acres on the north quay of West India Dock. Under the proposals, estimated to cost £6m., Shed 36 will be expanded to provide offices, market and cold storage space.

There are three main possible sources of finance for the project. The City of London, which wants to retain an interest in the market, would like Tower Hamlets Council to seek an urban aid grant to meet most of the cost. The City would then lease the site from Tower Hamlets, and in turn lease stalls to market traders.

The Department of the Environment would prefer the City Corporation to pay for the new market out of profits said to be available from redeveloping the Billingsgate site. The City says it could not afford to finance the new market.

The last possibility is for market traders to form a market authority and ask for funds from the Ministry of Agriculture and Fisheries.

Extra spending cash raises retail sales

By DAVID FREUD

THE ADDITIONAL spending power in the hands of consumers is being strongly reflected in the level of retail sales.

The volume of sales in the first three months of this year was 1.8 per cent upon the previous quarter and nearly 3 per cent higher than the level of the same period in 1977. The increase was spread evenly across all the categories of retail trade.

The final figures for March, published yesterday, show a sharp upwards revision in line with the buoyant trend. The index of the volume of retail sales rose to 107 (1970=100, seasonally adjusted), compared with the provisional estimate of 106.

This final figure is an increase on the February index of 106.5 and the highest figure since August, 1976. Nevertheless, it is still far below the peak of 111 recorded in the first quarter of 1973.

The steady increase in the volume of sales since December tends to confirm expectations that a strong consumer boom will develop from about July.

Mr. Richard Weir of the Retail Consortium said: "The forecasts of a 5 per cent volume gain in sales from 1977 to 1978 are looking increasingly likely."

The underlying factor in the buoyant sales is the increase in personal disposable incomes. Figures released with the Budget showed that this will have risen by about 7 per cent in the year to mid-1978.

A breakdown of the March final figures shows a strong increase in sales from clothing and footwear shops. The seasonally-adjusted index for this

category rose from 109 in February to 115.

On a quarterly basis sales were up 2 per cent in the three months January to March, compared with the last quarter of 1977.

The volume of sales of durable goods in March showed a decline from the strong performance of the previous two months. However, on a quarterly basis sales were 3 per cent up in the first quarter of this year compared with the final quarter of 1977.

Sales by "other non-food" shops, which include department stores and mail order businesses,

rose 1 per cent in the latest three months, while sales by food shops rose 1 per cent.

The hire purchase figures confirm the indications of a revival in consumer spending. In the first quarter total advances were 6 per cent higher than in the previous three months.

Finance houses' lending increased by 7 per cent, between the two quarters, while retailers' lending was up 5 per cent.

On a month-by-month basis there was a rise from £201m. in February to £212m. in March in the amount of new credit extended by finance houses.

HIRE PURCHASE CREDIT AND RETAIL SALES

(Seasonally adjusted)

New credit extended by			Retail volume (revised)	
	Finance Houses £m.	Retailers £m.	Total debt outstanding (unadjusted) £m.	Durable goods shops (1971=100)
1974				
1st	340	493	2,349	105.9
2nd	382	490	2,424	106.9
3rd	392	521	2,516	107.3
4th	421	547	2,716	108.9
1977				
1st	457	550	2,792	103.3
2nd	486	561	2,930	102.5
3rd	544	605	3,108	104.3
4th	585	604	3,341	104.4
1978				
1st	626	634	3,507	106.3
1977				
September	181	206	3,108	103.5
October	179	199	3,170	102.7
November	198	203	3,267	103.1
December	208	202	3,341	104.9
1978				
January	213	216	3,378	104.9
February	201	217	3,429	106.8
March	212	201	3,507	107.0

Source: Department of Trade

Varley meets Boeing chief

By Michael Donne, Aerospace Correspondent

MR. ERIC VARLEY, Secretary for Industry, and Mr. Edmund Dell, Secretary for Trade, yesterday started their exploratory discussions on possible Anglo-American aircraft programmes with a meeting in London with Mr. E. H. Bouillon, president of Boeing's Commercial Airplane Company.

It was emphasised after the talks that they had been of a fact-finding nature and were not intended to be negotiations.

Mr. Varley and Mr. Dell want to know what all three U.S. companies—Boeing, Lockheed and McDonnell Douglas—have to offer the U.K. and equally significantly, what they will need in return in the way of guarantees on prices and deliveries.

The two Ministers and their advisers will collate the information they get from the U.S. chiefs—Mr. Sandv McDonnell, president of McDonnell Douglas, and Mr. Roy Anderson, chairman of Lockheed, meets them next week—and draw up a list of options for presentation to the Cabinet, which will take the final decision.

Analysis

Alongside the list of American inducements there will be an analysis of what the U.K. can gain from collaborating with the French and West German industries on possible transport aircraft programmes for the 1980s.

U.S. teams have clearly thought it worth their while to come to the U.K. in strength. Mr. Bouillon brought a top-level team with him, including Mr. Dean Thornton, the vice-president of Boeing in charge of international developments. Mr. McDonnell is also expected to have a top-level team with him to-day.

It is accepted in the U.S. aerospace industry that which ever way the U.K. moves in collaborating on new aircraft programmes could profoundly influence the success of those ventures.

An Anglo-American venture, for example, especially if coupled with a Rolls-Royce engine, such as the 535 version of the RB-211 engine, could prove to be a world-beater in the next 10 to 20 years.

U.K. collaboration with Western Europe would be likely to offer the U.S. industry formidable competition, which they would prefer to be without, although it would not deter them from pressing on with their own programmes.

Nuclear delay 'could upset energy plans'

By Ray Ferman, Scottish Correspondent

FAILURE TO go ahead with a significant nuclear power station programme could seriously damage the ability of the U.K. to meet demands for energy by the end of the century, Mr. H. B. Greenborough, president of the Institute of Petroleum, says to-day.

He projects in an article in a review of the North Sea oil industry possible future energy demand on the basis of high and low assumptions of U.K. economic growth and matches them with possible levels of energy supply.

One of his principal conclusions is that by the year 2000 only the lower of the two demand projections—which assumes a growth of 24 per cent a year in the economy—can be met from indigenous energy sources. Even this assumes that there will be an accelerated nuclear programme and an optimistic view of the level of fossil fuel supplies.

If economic growth was high—3.4 per cent a year—the energy gap could be large.

Conservation could be important in the pressing energy demand and it should be looked upon as an additional energy resource, says Mr. Greenborough.

Coal should also be seen as having a vital part to play in meeting Britain's energy needs. There was a need for a significant increase in investment in order to substantially increase production.

Understanding North Sea Oil: Operations, Prospects and Policy, Bank of Scotland, The Mound, Edinburgh, EH1 1YZ.

Southalls criticised for its high advertising outlay

By DAVID CHURCHILL

THE PRICE Commission yesterday sharply criticised Southalls of Birmingham, the largest U.K. supplier of sanitary protection products, for the amount it spent on advertising and promotion.

The criticisms, which were levelled at the whole sanitary protection industry, were included in the Commission's report recommending that Southalls should be allowed to increase prices by an average of 4.31 per cent.

But the company has agreed to freeze the price of Lili-tots tampons, one of its main products, until the end of the year.

The Price Commission emphasises in its report its concern "about the high level of advertising and promotional costs, most of which do not represent any savings to the consumer."

Consumers in the sanitary protection market were particularly vulnerable to a lack of real competition.

"They have no choice but to buy the product. They purchase mainly for reasons other than price, and the prices paid reflect high costs of advertising and promotions."

According to the Commission's investigation, Southalls spent £2.3m. in 1977 on advertising and promotion, and this "formed a significant part of trading costs."

The greatest proportion of expenditure to sales in 1977 was in 80p.

the fastest growing and most profitable products, Panty Pads, Fastida and Lili-tots. Advertising and promotional costs rose as high as 20 per cent on individual products.

Although some of these costs might result in benefit to the consumer, their "main effects in this type of market are to approximate the static overall market between existing manufacturers, and to limit competition."

"We consider, given these characteristics, that advertising costs and such promotional costs as do not represent direct benefits to the consumer should be reduced, and the savings passed to the consumer."

The Commission acknowledges that Southalls would be unable to do this unless it was part of an industry-wide cut in advertising.

Its decision to allow Southalls to increase prices was because the company faced increased costs which, without price increases, would have significantly reduced the level of profitability.

Even so, the Commission is concerned at the "markedly high level of profitability on tampons in a market where there is only one other supplier and where there is little competition on price."

Southalls (Birmingham) Limited, Sanitary Protection and other Hygiene Products, Price Commission, 50, price 80p.

Pipeline link will boost sea gas supplies

By Ray Dafter, Energy Correspondent

NORTH SEA gas supplies are to be boosted by a new collection system linking two new fields with the trunk pipelines between the Frigg complex and the St. Fergus terminal, Aberdeenshire. Offshore groups developing the Piper and Tartan fields have decided to collect the gas which is produced with crude oil rather than flare and waste it. British Gas Corporation announced at the inauguration of the St. Fergus terminal.

The Queen described the £2.5m. development of the Anglo-Norwegian Frigg Field, the St. Fergus terminal and associated transport facilities as "one of the most complex engineering projects ever undertaken."

Offshore groups developing the Piper and Tartan fields have decided to collect the gas which is produced with crude oil rather than flare and waste it. British Gas Corporation announced at the inauguration of the St. Fergus terminal.

The Queen added that although more than one-third of the nation's gas supplies would eventually pass through the terminal, the facilities had been built with remarkably little damage to the Scottish countryside. "This development which has not been made at an environmental sacrifice."

Sir Denis Rooke, chairman of British Gas, pointed out that the Corporation had invested nearly £400m. in St. Fergus and related transmission facilities.

There were "excellent" prospects of more gas fields being found offshore. In the meantime supplies from Frigg and other fields in the northern sector of the North Sea would help to ensure that gas consumers would be able to buy the fuel well into the next century.

Production

Gas from Occidental's Piper Field and Texaco's Tartan field would definitely be pumped ashore through the Frigg system.

It is understood that gas production from the two fields will rise to about 80m. cubic feet a day.

However, the Piper production profile will be past its peak when Tartan output reaches its maximum.

Occidental has already started to build its £55m. gas collection system. This includes a 35-mile pipeline from the Piper platform to the manifold platform built by the Frigg partners midway along the trunk line to St. Fergus.

Production through this 18-inch spur line is expected to begin in 1979, this year while Tartan's gas shows up in stream in about two years' time.

Advantages of setting up U.K. offices

Financial Times Reporter

THE RELATIVELY low cost of labour in Britain, with a "well-educated, well-trained and efficient work force" is one of the incentives offered to foreign companies which may consider establishing offices in the U.K. by the Location of Offices Bureau.

The bureau is sending 10,000 copies of an illustrated brochure, "An Office in Britain," to overseas concerns, mainly in North America and Europe.

Pointing out that Britain has a wealth of managerial and administrative expertise and a pool of well-trained and experienced staff, the brochure adds: "A major advantage to companies setting up offices in Britain is the comparatively low cost of labour."

"Not only are the salaries of professional and office staff relatively low, but so also is the company's liability for statutory payments to cover pensions, health, social services and similar provisions. Personnel are also able to benefit by the relatively low cost of living compared with many other countries."

£20,000 plan to save Wheel Jane

CORNWALL County Council

yesterday threw a £20,000 lifeline to the Wheel Jane tin mine, which faces closure and the loss of 418 jobs. The cash will keep the nearby Mount Wellington pumps going for another two weeks and save Wheel Jane from flooding.

In the meantime a county council delegation will see the Prime Minister in a bid to halt the closure of Wheel Jane by Consolidated Gold Fields.

Mount Wellington's shut-down, costing 325 jobs, was announced last month.

Beauty spots study plan

AREAS of outstanding natural beauty—and their effectiveness as a method of conserving and improving the landscape—are the subject of a two-year Countryside Commission-sponsored study, the results of which will guide the Commission in its future policies.

Industrial excellence in Northern Ireland

Where superior output & productivity make a growing contribution.

Since 1969 the industrial performance of Northern Ireland has been significantly better than the rest of the U.K.

Productivity up by 37 per cent, output by 14 per cent, these are figures on which any enterprising company can profitably build.*

In other ways too Northern Ireland is an attractive proposition for the expanding industrialist.

The general enthusiasm for growth.

A consistently better record of industrial relations.*

The most generous portfolio of Government grants and incentives to be found anywhere in the EEC.

Above all a total commitment to the highest standards of industrial excellence.

And we still haven't mentioned Northern Ireland's diverse industrial base, the varied skills of its people and the availability of what has been described as "the most sophisticated Government training machine in Europe."

There's such a lot going for companies prepared to expand into Northern Ireland.

It's not surprising that so many new projects have started here.

Read what some of their managers have to say in "Ask any businessman who's already here"... an anthology of views from the boardroom.

Then ask yourself whether you can afford not to take a longer look at Northern Ireland.

*Based on figures up to and including 1976.

To: Industrial Development Organization for Northern Ireland, Ulster Office, 11 Berkeley Street, London W1X 6BU.

Please send me a copy of "Ask any businessman who's already here." Also send me further details on the opportunities for industrial expansion in Northern Ireland.

Name: _____ Title: _____

Company: _____

Address: _____

FTS-3

NORTHERN IRELAND

it will pay you to take a longer look

هكذا كانت الامم

HOME NEWS

Export groups clash on Bill

By Maurice Samuelson

TWO EXPORT bodies sponsored by the Government clashed yesterday over plans to curb the Arab boycott by introducing legislation similar to that recently adopted in the U.S.

A third body expressed fears that the moves could cost Britain a balance of payments £2bn a year in lost Arab orders.

The Council for Middle East Trade and the British Overseas Trade Group for Israel presented diametrically opposed arguments to the House of Lords select committee studying the Foreign Boycotts Bill.

The Bill drafted by Lord Byers, the Liberal peer, would bar companies from answering questionnaires from the Arab boycott office.

Lord Limerick, chairman of the council, said that the Bill would deprive companies of the freedom of choice about where to trade, and would put at risk Britain's exports to the Arab world potentially at risk.

It would antagonise and unite Arab countries who would turn elsewhere for consultancy services, automotive products and consumer goods which they now obtain here.

This was disputed by the British Overseas Trade Group for Israel, originally set up because the council, in compliance with the boycott, did not deal with exports to Israel.

Quality
Mr. Michael Sleaf, the group's chairman, said that Arab customers bought British goods because of their quality, and that they would not switch their trade, sterling balances or insurance business elsewhere.

Because of "ungrounded fears" of the boycott, British companies were not involved in major development contracts in Israel, such as a £400m. power station now under construction.

Earlier, representatives of the Middle East Association, a private body with 450 members, told the select committee that £2bn a year would be lost to the balance of payments if Britain adopted anti-boycott legislation.

Arab customers would cancel contracts overnight, said Lord Denman, the association's vice-president. "Meddling with the boycott problem can only harm British interests, and the sooner the Bill is put to bed the better."

Talks with IMF team start tomorrow

By David Freud

TALKS WILL start in London tomorrow on whether the U.K. will keep the standby credit guaranteed by the International Monetary Fund in being for the rest of the year.

The existence of the standby credit under the U.K. Government to the policy guidelines agreed with the fund at the end of 1976 and reaffirmed last December.

The talks between a fund team and the Treasury will last about 10 days. The Government has still not decided whether to cut free from the standby—an indication of the low priority attached to the talks.

The Government might not decide until the talks are well under way.

Target
Whatever the decision, however, there will be no practical consequences. If the standby lapsed the U.K. would retain its own money supply target and a public sector borrowing requirement just below the official limit agreed with the fund.

Retaining the standby until the end of the year—when it will lapse anyway—might help to calm the foreign exchange markets, which have been jittery in the past few weeks.

CONTRACTS

Test track for Leyland

WORK HAS started on a £3.5m. test track complex in Lancashire for Leyland Vehicles. It will form part of a £33.7m. Vehicle Engineering Centre to be developed on a 150-acre site at Moss Side, two miles west of Leyland. Main contractor is A. MONK AND CO.

There will be three main circuits, totalling over 5 km., with straight sections, looped inter-connecting strips, turning circles and a central area service road. Belgian paved and corrugated surfaced sections are included, as well as conventional asphalt surfaced roads.

There will be areas for noise, steering, braking and other tests. A water trough will provide for brake soak tests and there will be test hills of different gradients. The high speed circuit is banked for speeds up to 75 mph. It is connected to a braking straight, with water facilities. A marshalling area and track work-

Jenkins urges end of green pound

By RHYS DAVID, NORTHERN CORRESPONDENT

EUROPE must make further progress towards eliminating currency instability and towards the phasing-out of the "green pound" and other artificial units of exchange, Mr. Roy Jenkins, President of the European Commission, said in Manchester yesterday.

Mr. Jenkins claimed Europe's currency instability had been a major factor in the poorer industrial performance of the Community in recent years when compared with the two other major world trading blocks, the U.S. and Japan.

At a time of severe depression the EEC has had to deal with currency fluctuations not only in other countries but internally as well, placing an extra strain on it. There was now a strong case for creating a zone of greater stability involving some if not all the EEC currencies.

His main concern over currency variations, however, was the effect on the Common Agricultural Policy. The creation of money compensatory amounts, such as the "green pound," to counter the effects on consumers within certain countries of higher farm prices had

resulted in an administrative barrier to trade.

Different price levels for farmers in different countries led to a distortion in competition and in the use of resources and there should now be an orderly phasing-out of the compensatory amounts system.

Mr. Jenkins, speaking at a seminar organised jointly by the Sun newspaper and the Institute of Grocery Distribution, defended the Common Agricultural Policy against what he claimed were unjustified attacks in Britain.

Stability
Food prices in the shops in the U.K. had increased by only 6.4 per cent over the last 12 months—lower than the overall rate of inflation of around 10 per cent. The EEC Commission's farm price proposals would result also in an increase of only 0.5 per cent in prices in the shops over the next 12 months.

The Common Agriculture Policy had also produced stability of food supplies for the consumer and of income for the farmer, avoiding the danger of erratic changes in farming production. Mr. Jenkins said that although

surpluses represented a serious problem their size was often exaggerated and that in many cases the lakes and mountains of different products amounted to no more than a few weeks' or days' supply.

He also firmly rejected charges in Britain that the Commission had ever wanted to kill off daily home deliveries of milk. Europe as a major milk producer had a vested interest in insuring a high level of milk consumption and the Commission had proposed four months ago not only that the essential functions of the milk boards should be retained but that the system should be made available in other member states.

"To our regret the other members have not shown much enthusiasm and the system will probably be limited in the first place to Britain."

"We have proposed no cut-off date for the milk boards, we do not wish to abolish them after 1982, and all that is envisaged is a review before 1983 to see whether the systems cannot be generalised in the Community as a whole."

A more critical view of the



ROY JENKINS
"Phase-out green pound."

role of the EEC in agricultural policy was given, however, by Mr. Dennis Landau, deputy chief executive of the Co-operative Wholesale Society.

The emphasis should now be changed from support for inefficient agriculture towards support for efficient feeding of the people.

The effect of the system as operated at present had adversely affected the food chain, leading last year to EEC wheat and beef prices twice as high as world prices, to butter prices four times as high and skimmed milk prices six times as high.

There was an urgent need to develop the agriculture policy into a common food policy.

State moves 'helped to hit Spillers'

By CHRISTOPHER DUNN

MR. THEO CURTIS, chairman of the Federation of Bakers, claimed yesterday that "misguided" Government intervention in the bread industry had helped to force the early closure of Spillers' baking interests.

He told the federation's annual meeting in London that the bread industry had suffered badly under general pricing policies set up by the Government.

Spillers said early last month that it would pull out of the bread industry and make 5,000 workers redundant by closing 23 of its bakeries and selling the remaining 13.

Mr. Curtis said that this would have been avoided if discount controls on bread sold by bakers to large retailers had been retained, as the bakers urged.

These discounts had suddenly been abolished early in January last year, subsequently boosting retailers' profits at the expense of the bakers.

The Government had been warned consistently in the past two years that its subsidies had destructive implications, but the warnings had been ignored.

The Government had not realised that wider implications were involved than underpricing of bread in supermarkets.

The large-scale baking industry had suffered particularly severely under price codes operated by the Government. It had also suffered through its legal inability to take effective measures to counter the market power acquired by its retailer customers.

Peak District limestone plan given go-ahead

By PAUL CHEESERIGHT

MR. PETER SHORE, Secretary for the Environment, has overruled the objections of the Peak District National Park and granted planning permission to Imperial Chemical Industries for the development of a limestone quarry at Old Moor, three miles east of Buxton.

His permission comes after the recommendations of Mr. Keith Sergeant, the inspector who held a public inquiry into the proposed development between March and July 1976. It was granted yesterday.

The quarry will cover about 500 acres, of which 380 acres are in the National Park. The remainder are in the Derbyshire County Council planning area and permission for the development was given by the Council for the land under its jurisdiction, in 1974.

The Peak Park Joint Planning Board originally refused planning permission. This prompted an appeal by ICI, which has now proved successful.

Amenity loss
ICI welcomed the grant of planning permission, pointing out that the group now had limestone reserves which would last into the next century. Preparation of the site for development will start in the next few weeks.

But the reaction to Mr. Shore's decision from the amenity groups like the National Parks, the Council for the Preservation of Rural England and the Countryside Commission ranged from disappointment to anger.

They do not, however, have any means of appealing against the decision. The planning process has run the full course. They can seek redress in the High Court only if the Secretary of State has not observed the established planning procedures—the substance of the decision is beyond appeal.

Nevertheless, Mr. Shore's decision is likely to add fuel to the debate on the role of the National Parks. While it is accepted that the concept of National Parks is approved by all political parties, the feeling remains that individual planning permissions are eroding the amenities the parks were established to offer.

At the same time the amenity groups feel that the Government should grant permissions for limestone development only within the context of a national limestone policy. This does not exist.

Limestone is used in the manufacture of soda ash and high quality lime. Mr. Shore told ICI that production of surplus for use in aggregates should be kept to the minimum.

The new quarry will be next to ICI's existing Tansfield Quarry, from which limestone is taken by rail to chemical works in Cheshire.

The grounds for the grant of planning permission rest on the national interest and the lack, on the basis of present knowledge, of any alternative sources.

"I have come to the conclusion that although the proposed quarry would inevitably have appreciable effects on the national park, on visual amenity, on the local residential environment, and on agriculture, the accumulated weight of the consequent objections would not be sufficient to tip the scales against its importance to the national economy," Mr. Sergeant concluded in his report to Mr. Shore.

BP sees 10% petrol price rise

By SUE CAMERON

A RISE in petrol prices of about 10 per cent was envisaged yesterday by BP, third biggest brand name in the U.K.

The company said that over the next few years petrol prices would have to increase to the present range of 70p to 75p a gallon of four-star to between 75p and 82p a gallon.

It refused to say when motorists might expect the first increases or how big they would be initially.

There were strong indications that BP was waiting for the two brand leaders—Esso and Shell—to take the initiative in ending cut-price competition and in putting prices on a more realistic footing.

The company claimed that in real terms petrol prices were the same as they were in 1973. Many retail outlets were able to keep prices at an artificially low level

—sometimes as little as 68p for a gallon of four star—only because they were being supported by oil companies.

BP reported that over the last year it had had a full return on its £500m. investment in U.K. petrol marketing and it believed the picture to be equally bleak right across the industry.

Mr. Geoffrey Sheppard, manager of BP's retail division, said that over the next few years

the imbalance between supply and demand was likely to even out, especially as the number of car owners in the U.K. was expected to rise from the 14.7m. to 16.5m. by 1982. Research suggested that expenditure on petrol was one of the last things people cut.

"Petrol demand over the next five years may well increase at the rate of between 2 and 3 per cent a year."

Meeting at Waldorf properly arranged, says Bank official

FINANCIAL TIMES REPORTER

A SUSPENDED senior official of the Bank of England said at the Old Bailey yesterday that a meeting which he had with a solicitor's clerk at the Waldorf Hotel after office hours was quite properly arranged to discuss routine exchange control procedures.

Mr. John Martin Wales denied the meeting had anything to do with the scheme in which the prosecution say he took part to deceive the authorities of more than £2m. worth of foreign securities and their entitlement to dollar premium rebates.

The Crown had told the jury that police were watching his movements at the time after a tip to Scotland Yard about a suspected fraud plot.

Mr. Wales, aged 42, of Chislehurst, Kent, who was earning nearly £20,000 a year when he was suspended from his duties in the exchange control department in 1976, has pleaded not guilty to conspiring with five other men to obtain money dishonestly from authorised dealers in investment currency between 1975 and 1976. All have denied the charge.

He explained that Mr. Patrick Walsh, a solicitor's clerk from East London who is also alleged to have been implicated in the plot, rang him at the Bank of England on March 16, 1976, to inquire about exchange control procedures.

It was late in the afternoon when the inquiry was made, and he (Mr. Wales) felt it was inappropriate for security reasons to have anyone calling at the Bank's offices after 5 p.m. So he arranged to meet Mr. Walsh between 7.00 and 7.30 that evening at the Waldorf Hotel on his way home, as it was not too far from the Bank.

Mr. Wales said: "We had a technical conversation about exchange control, and I told him I would do my best to assist him."

"He explained he wanted guidance about residential status for a client, and I explained the yardstick used by the Bank to determine such matters. I told

him that if he had any doubts he should consult his client's own bankers."

Mr. Wales said the conversation ended on that note, but 10 days later he met two other men whom he now knew were also supposed to have been involved in the alleged plot. They came to the Bank with a routine inquiry, and he took them along to the wine bar below his office building as it was his lunch hour.

Later, Mr. Wales said, he found that the two men, who had introduced themselves as financial advisers, were Mr. John Robson, 57, commodity trader and Mr. Reginald Atkins, 50, company director, who are accused with him.

He knew nothing about their background at the time he met them, and he merely gave them general guidance on foreign security regulations.

The hearing was adjourned until to-day when Mr. Wales will be cross examined by the Crown.

Insurers get repair bill for £342,120

FIVE INSURANCE companies were ordered by a High Court judge to-day to pay out £342,120 to repair a fire-damaged 19th-century building which could be replaced by a modern structure for only £55,000.

The maltings at Stonham Parva, Suffolk, was being used as a grain store and cattle feed plant when it was severely damaged by fire in November, 1973. Mr. Justice Forbes said that the owners had insured the maltings in 1973 for its full reinstatement value of more than £500,000.

The insurers—Phoenix, Royal Sun Alliance and London Insurance—Norwich Union, and Fire and All Risks Insurance—were granted a six-week stay pending consideration of an appeal.

If your factory is in one place, and your customers are all over the place, you could have a problem.

It has been known to lead companies into investment in physical distribution at the expense of the more profitable parts of their business.

That's where Superbriz, (alias BRS) can help.

We're everywhere your customers' premises are — with all the facilities to match any distribution schedule.

We have both the close appreciation of local needs and the nation-wide resources (over 150 branches) to ensure the right help with any transport problem.

It can be anything from a one-day, one-truck rental... to a total distribution service.

For we see ourselves as transport problem solvers, finding solutions that fit individual problems — unlike those who do it the other way around.

British Road Services Limited



— just say 'Superbriz'

HOME NEWS

Access
buys 20%
Eurocard
stake

ACCESS, the credit card company owned by three of the U.K. clearing banks, has paid an undisclosed sum for a 20 per cent stake in Eurocard International, the European credit card system.

Mr. George Gilheiss, Access chief executive, has joined the Board of Eurocard, which is based in Brussels.

The move is another step in a series of deals involving Eurocard whereby Access and other leading financial institutions plan to rationalise the credit card system in Europe.

The deal would make no difference in facilities for Access cardholders in the short-term, the company said yesterday. But outlets in Europe should increase steadily as Eurocard expanded.

Takeovers
Eurocard, which began operating in 1965, until now has been controlled by A. B. Finanz. Vendor, one of Sweden's largest finance companies. Eurocard subsidiaries operate throughout Europe.

Recently the local companies have been taken over by leading banks in the countries where they were operating, including the Caisse Nationale de Crédit Agricole in France, commercial and savings banks in Denmark, and commercial, savings and co-operative banks in West Germany.

Corrosion
THE DEPARTMENT of Industry has published a revised Corrosion Prevention Directory. The first edition was published in November 1975.

Corrosion Prevention Directory, edited by Dr. P. J. Boden, HMSO, £2.25.

U.K. growth running
at 5% — brokers

BY DAVID FREUD

GROWTH in the first three months of this year has been consistently understated by official statistics and may have been running at an annual rate of more than 5 per cent, according to Hoare Govett, the City brokers.

The firm's assessment is in marked contrast to that of most other commentators over the past month. Since the Budget, the Chancellor's 3 per cent growth target for the financial year 1978-79 has been widely criticised for being over-optimistic.

Hoare Govett, by contrast, say that the only way growth through the year could be brought back to 3.5 per cent would be through higher interest rates. Higher rates would be necessary to stop the money supply expanding beyond the 8 to 12 per cent target range for sterling M3.

If M3 growth targets were relaxed the firm says "we would face a reasonably favourable short-term outlook, but the medium-term prospects for inflation and the balance of payments would be far from happy."

Vacancies
There is also a wide range of conflicting evidence from various indirect indicators. These include:

● Unemployment during the second half of last year and this year has been falling while unfilled vacancies have risen strongly—factors difficult to reconcile with economic stagnation.

● The strong rise in private sector non-residential investment last year and the evidence of the investment intentions

Conversely, if interest rates were raised the short-term implications would be difficult while "excess" growth was squeezed out, "but in the slightly longer-term conditions would become rather more encouraging."

The firm concedes that all the direct official statistics point to an extremely weak economy, but feels it can override this data because of the "very strong tendency for the Central Statistical Office to revise upwards their initial estimates of any economic magnitude."

There is also a wide range of conflicting evidence from various indirect indicators. These include:

● The Statistical Office's own analysis of cyclical indicators points to last year as being a year of above average growth.

● The Government's tax revenues were extremely buoyant, particularly expenditure taxes, which implies spending must have been fairly strong.

The firm concludes that it is likely that last year showed growth of between 2 and 3 per cent, overall rather than the stagnant growth officially recorded.

At an acceleration, therefore, at the end of 1977 brought about by rising real disposable incomes and an easier monetary environment, could have taken the rate of growth to over 5 per cent, a year in the first quarter of 1978.

surveys taken in that year shows a pattern which normally develops in years above average growth.

● Imports of raw materials other than oil rose by about 4 per cent in real terms last year, the reverse pattern to that normal in the final stages of weakness when there is a slowdown in stocks.

● The Statistical Office's own analysis of cyclical indicators points to last year as being a year of above average growth.

● The Government's tax revenues were extremely buoyant, particularly expenditure taxes, which implies spending must have been fairly strong.

The firm concludes that it is likely that last year showed growth of between 2 and 3 per cent, overall rather than the stagnant growth officially recorded.

At an acceleration, therefore, at the end of 1977 brought about by rising real disposable incomes and an easier monetary environment, could have taken the rate of growth to over 5 per cent, a year in the first quarter of 1978.

UN proposals for disclosures
by multinationals 'unrealistic'

BY ARNOLD KRANSDORFF

SERIOUS misgivings have been expressed by the International Chamber of Commerce over the proposals by the UN to radically expand the financial and "social" disclosure requirements for multinational corporations.

With regard to non-financial information, the chamber says that to attempt to develop universal principles are "over-ambitious and unrealistic" and it calls on the UN to allow more time to consider the fundamental issues involved.

The chamber comments are the considered response by industry to the UN proposals. These come up for adoption at the fourth session of the Commission on Transnational Corporations at a 10-day meeting in Vienna, which

starts next Wednesday. Then they will consider the latest ideas for international reporting standards, which have been formulated by their own Group of Experts.

The U.N. group has no direct authority over international accounting and reporting standards but could recommend that U.N. member governments implement the proposals through national legislation.

Referring to the UN's proposals on non-financial disclosure such as environmental performance, the chamber says that it was surprised at the extent to which the U.N. had felt able to make precise proposals bearing in mind that this is a totally new area without previously established universal standards,

definitions and practice to guide deliberations.

It feels that "considerably more careful analysis would need to be given to the purpose, relevance and need for non-financial and non-auditable data to be included in all companies' annual reports."

To attempt to develop universal principles to be applicable across a number of different industries and in different environments, was "both over-ambitious and unrealistic."

The chamber's submission includes a long list of "real concerns" which have been expressed by industry. It says it hopes that the Commission will view it as a constructive contribution to the debate.

Changes to
employee
shares plan
proposed

By John Elliott, Industrial Editor

CHANGES to the Government's proposals for employee share ownership schemes contained in the Finance Bill now before Parliament were put forward yesterday by Mr. Nicholas Goodison, chairman of The Stock Exchange.

Speaking to an Industrial Society conference in London, he welcomed the income-tax concessions contained in the Bill for the share ownership form of profit sharing which he said he preferred to call "productivity sharing."

But some improvements could be made, the first of which was to allow the tax concessions to apply to cash handouts to employees as well as to money used to buy employees' shares.

Arrangements ought also to be made to include foreign and subsidiary companies which were "unnecessarily" excluded at present.

The Bill's proposed maximum annual band of £500 per employee was "unrealistically low and did not allow for the responsibility carried by senior executives." A limit based on 10 per cent of an employee's gross salary would provide a more realistic incentive.

He thought that the tax treatment ought to be "more liberal." The Finance Bill says that shares would have to be held for 15 years before all income-tax liabilities would be cancelled. Mr. Goodison thought this ought to come down to seven years with perhaps a high rate of tax during the first four years.

Finally, any restrictions on an employee selling his shares should be removed. At present the Finance Bill provides that an employee must hold the shares, through a specially created trust, for at least five years.

New rating valuations in 1982
THE next general revaluation of property for rating purposes will come into effect in 1982 and will be carried out on the existing basis of rental values. Mr. Peter Shore, Environment Secretary, said yesterday.

He told Mr. Andrew Bennett (Lab., Stockport N.) in a Commons written reply: "The present valuation list for England and Wales dates from 1973 and is becoming steadily more out of date."

Revaluations have been deferred while the Layfield Committee on Local Government Finance was sitting and while we have been considering its report. But it is now time that work was started towards another general revaluation."

Best egg buy: size 6 white
By Christopher Parkes
SHOPPERS seeking best value for money at the grocery egg counter should ask for size 6 white eggs—if they can find a shop which stocks such small eggs.

In a survey carried out by the Eggs Authority, this grade, which usually goes to catering companies and hospitals, constituted the best buy in terms of value a pound.

The average price of 36p a dozen worked out at 28.6p a pound. Dearest eggs at 32p a pound were brown size 4 which can best be compared with the old medium grade.

The survey comes about four months after the storm of complaints which greeted the introduction in Britain of the Common Market egg grading method.

Suicide verdict
on building
society chief

FINANCIAL TIMES REPORTER

MR. HAROLD JAGGARD, building society chairman, committed suicide hours after auditors spotted that £8.5m. was missing from his society's accounts, a coroner decided yesterday.

Mr. Jaggard, 79-year-old chairman of the Grays Building Society, took a drugs overdose and left a note for his third wife, Helen. It read: "Don't go to the bathroom alone. For 40 years I have tried to put somebody else's misdeeds right. I can take no more."

Dr. Charles Clark, the coroner, made his decision during the eight-minute hearing during which Mrs. Jaggard said that her husband had been seeing doctors for a heart condition. Asked whether he had any stress problems, she replied: "None at all."

Mrs. Jaggard said that on March 17 she returned to their home at Brentwood, Essex, after visiting her daughter in London. The curtains were drawn and Mr. Jaggard's car was still in the garage. She found his note on the kitchen table.

At that point, the coroner produced the note and commented: "It is clearly a suicide note."

Mrs. Jaggard agreed. Mrs. Arthur Nudd, accountant and auditor to the Grays, told the inquest that, on the day of Mr. Jaggard's death, the Grays ledgers had been checked, and a discrepancy had been found. Mr. Jaggard had been informed. Detective Supt. George Raven told the hearing that he was satisfied no outside agency or person was involved. Mr. Jaggard had been "seriously worried about irregularities at the Grays which were about to become public knowledge," he said.

Accounts to be shown to the Grays shareholders at their annual meeting this month will set out a £8.5m. deficiency in the society's book assets of £11m. Police inquiries show that about £200,000 in cash is missing.

The thefts, involving a period stretching from the late 1930s, were covered by false entries in the society's ledgers, and accounts for much of the £8.5m. The Grays affair is likely to lead to the setting up of a permanent fund to protect building society investors.

Sir Maurice Laing calls for incentives
FINANCIAL TIMES REPORTER
BRITAIN had become the "no reward society" in which it was no longer worthwhile to work hard, Sir Maurice Laing, president of the Federation of Civil Engineering Contractors, said in London last night.

Sir Maurice said that he believed that the lack of incentive was the outstanding reason for the country's post-war decline.

"This is why we are producing so little and our productivity is so low. It is not through lack of investment, lack of ability or lack of skills. It is because of lack of incentive."

Commenting on the recent Budget, Sir Maurice said that he was the Chancellor had not taken the 16th. Our fall has been rapid opportunity to encourage industry or the individuals on which the country's prosperity depends.

"It appears to be that the Government has far too much time legislating, restricting and entwining us in bureaucracy."

People at all levels with varying degrees of ability and skill had "switched off" because it no longer paid them to be "switched on."

It was up to Parliament to re-introduce a system of incentives which encouraged people and companies to make every effort.

"Before and immediately after the last war, we were third in the international standard of living league, and now we are 16th. Our fall has been rapid opportunity to encourage industry or the individuals on which the country's prosperity depends."

"The Pearson Commission on Civil Liability in its recent report found the question of such compensation difficult to tackle, and the departmental working party is apparently to see if it can find a solution where the Royal Commission failed."

The diseases take many years to develop, so that employers can have gone out of business or the particular employer can be hard to identify, when the illness is disclosed.

The Pearson Commission on Civil Liability in its recent report found the question of such compensation difficult to tackle, and the departmental working party is apparently to see if it can find a solution where the Royal Commission failed."

Three days later there was a strike but about 80 per cent of the staff remained at work. Mr. Boswood said the union wanted Mr. Elvidge's re-instatement and also exclusive negotiating rights.

Mr. Frederick Mand, restaurant manager at the Caesars, was asked in cross-examination by Mr. Andrew Collender, for Mr. Elvidge, about the ratatouille which had brought complaints. Asked if he thought there was too little salt or seasoning was worse than too much, he replied: "The customer is always right. It should not be that there is too much or too little."

Grimsby
'to win
Humber
ports
battle'

BY RICHARD MOONEY

THE HEAD of a leading fish company yesterday forecast that Grimsby would win the "Battle of the Humber," in spite of Hull's undoubted superiority in the handling of freezer trawlers.

Mr. Mick Coburn, managing director of Findus, said at the official opening of a £125m. fish processing factory in Grimsby that it was unlikely that both would survive as major ports in view of the inevitable decline of the British fish catching industry.

Trawler owners are going to have to make up their minds which side of the Humber they will operate."

Mr. Coburn based his confidence in Grimsby's future on the belief that in a world of 200-mile limits the U.K. catching industry would have to concentrate its development on the near-water fleet. In this field Grimsby's potential is superior to Hull's.

"At present, the Hull fish market couldn't cope with that sort of expansion, whereas Grimsby could."

"I also believe that, without too much difficulty, Grimsby could provide as good facilities for distant water fishing."

The massive investment by frozen food producers in Grimsby and the superior cold storage facilities were other important factors.

Expansion
Last week, British United Trawlers, Britain's biggest fish catching company, said that it was moving its remaining six freezer trawlers at Grimsby to Hull as part of a rationalisation plan which will cost 265 onshore jobs at the two ports, 190 of them at Grimsby.

The new Findus factory has created 100 additional jobs, with the prospect of more when expansion plans are put into effect.

Mr. Coburn said that where fish were landed would not affect his company's operations in Hull.

Hull was the "spearhead" of Findus' development work with under-utilised species, and with regard to its other processing operations it always has the option of shipping raw material supplies from Scotland and the north of England.

Write today for this fact-filled PLANT AND OFFICE LOCATION DATA BOOK.

The State of Maryland, "Home" of the world-seaport of Baltimore, and Baltimore-Washington International Airport. Located within one day's rail delivery from Baltimore are 37% of all U.S. manufacturers, and 35% of the nation's consumer market.

Three major railroad lines, 350 highway common carriers, and Maryland's excellent highway network provide quick access to markets.

Maryland has overnight truck access to 31% of the U.S. population, and 34% of the nation's manufacturers.

Maryland can arrange up to 100% financing of land, buildings, machinery and equipment at low interest rates for long terms.

Write or phone today for our brochure and for our assistance.

George Van Buskirk
European Director
Maryland Department of Economic and Community Development
Shell Building
60 Rue Ravenstein, Boite 10
1000 Brussels, Belgium
Phone: (02) 612.73.47

Maryland
USA

1 Suffolk Street, London SW1V 4HE. Telephone: 01-878 7701.



This man aims to invest
£500,000 in a new production
line for his company

We aim to give him all the
help he needs

There comes a point when every successful and expanding company needs finance. It may be for a new production line, a factory or a piece of machinery that can't be financed out of cashflow or capital. You need a decision, and you need it quickly.

And that's when you need Coutts.

Just because Coutts isn't one of the big banks does not mean it isn't one of the most professional.

In fact our size gives us very definite advantages. Flexibility in adjusting services to meet customer needs. Speed in giving decisions on credit arrangements. Efficient supervision of the day-to-day service. And they're backed by a 235-year tradition of giving a highly personal service.

So why not contact John Acheson at Coutts now, and find out how a better banking service can help your company?



Coutts & Co

Corporate service based on a great personal tradition

1 Suffolk Street, London SW1V 4HE. Telephone: 01-878 7701.

هكذا منه الأمل

LABOUR NEWS

TUC to question Healey on cash limits

By Christian Tyler, Labour Editor

TUC LEADERS will today press the Chancellor to outline his strategy for public expenditure and the future use of cash limits, which unions see as a wage restraint mechanism.

Mr. Denis Healey, accompanied by Mr. Joel Barnett, Financial Secretary, will be meeting the TUC economic committee in the wake of the Government's defeat in the Commons on the Finance Bill.

Although public expenditure and cash limits are the subject on the agenda, it will be a chance for Mr. Healey to test TUC opinion on his plans for another bout of indirect wage control.

Senior TUC leaders have met Mr. Healey privately once since the Budget, for discussions on the economy at large. Then the Government was criticised for lack of action on jobs and public spending. With the TUC firmly set against any Stage Four deal, the question of even an "understanding" appears to have been strenuously avoided.

Today the TUC is expected to ask whether the underspending of 3.4 per cent. under the cash limits regime is a permanent feature of the system, and to press for the relative level of public expenditure to be restored to its 1975 position.

The Chancellor's Budget gave the TUC almost exactly what it asked for on tax cuts, but little in response to its demand for a further £2bn. to be directed towards jobs, pensions, the social services and construction.

Leyland union man resigns

By Our Oxford Correspondent

MR. JOHN POWER is to resign as convenor of the Amalgamated Union of Engineering Workers at Leyland's Park depot at Horsham, Oxfordshire. In return the company has decided not to sack him, but to take him back after a week's suspension without pay.

Mr. Power is also resigning from all other union activities at the depot as part of a settlement reached at talks between management and Engineering Union officials.

Last month Mr. Power was dismissed after an inquiry into travelling expenses and the decision was amended to a suspension on pay, while his appeal was heard.

When suspended Mr. Power had to give up his seat on the joint management and union committee negotiating bargaining reforms.

Farm workers' £100 target

FARM WORKERS yesterday instructed their union leaders to demand a minimum wage of £80 for a 35-hour week from next January, and £100 a week by 1980.

The executive of the National Union of Agricultural and Allied Workers had recommended support for £80 and £80 respectively, but this was rejected at the union's annual conference. The present basic rate is £48 for a 40-hour week.

Mr. John Rose beat off a Left-wing challenge to be elected president of the union in place of Mr. Bert Hazell, who is retiring.

Redundancy deals not 'selling jobs' says union leader

BY ALAN PIKE, LABOUR CORRESPONDENT

EMPLOYEES who accept redundancy payments should not automatically be condemned by fellow workers for "selling jobs," Mr. John Boyd, General Secretary of the Amalgamated Union of Engineering Workers, said yesterday.

He was replying to a claim by Mr. Jimmy Reid, a Left-wing delegate at the union's annual conference, that the Redundancy Payments Act had become an albatross around the necks of union officials, with some members prepared to sell their jobs as soon as they got "the whiff of severance pay."

Mr. Boyd said that often it was the changing pattern of industry which led to workers being made redundant. They should not be accused of selling jobs and betraying the next generation when they did not have something to sell.

The conference passed a number of resolutions on unemployment and Mr. Boyd indicated that the AUEW would put a motion on the subject to the TUC in September.

Delegates reaffirmed the union's policy that when redundancies are declared in any factory all overtime in that particular work grade should be banned until the redundant members had found new employment. However, a resolution which would have led to the TUC being urged to seek legislation restricting overtime to five hours per week was defeated.

The conference called for more Government measures to tackle youth unemployment—which it described as "a crime against young people" including further training schemes, grants to school students who continue their studies beyond the minimum leaving age, and restoration of the levy grant system for industrial training boards.

AUEW leaders will approach the Engineering Employers' Federation and attempt to negotiate a minimum annual intake of apprentices based upon the size of companies.

Delegates criticised private and public industry for not creating more jobs through expansion and urged the Government to legislate for a "statutory minimum level of investment in the manufacturing industry."

Thomson and unions agree to arbitration

BY PAULINE CLARK, LABOUR STAFF

THE THREAT of a nationwide strike by journalists on Thomson Regional Newspapers seems to have been averted. Agreement was reached yesterday between management and national union leaders to go to arbitration in the dispute over sacked journalists.

The formula does not tackle the problem of continuing local difficulties over productivity payments within the group which led to the sacking two weeks ago of 380 members of the National Union of Journalists.

After deferring a call last week for a strike throughout the group, union negotiators led by Mr. Ken Ashton, general secretary, accepted a new formula for a return to work. This will be reported to-day to the Thomson group chapel and negotiators will recommend later this week to suspend a "statutory minimum level of investment in the manufacturing industry."

Two weeks ago, more than 3,000 journalists in the group staged a one-day strike to protest at the dismissal of 77 journalists in Hemel Hempstead who had been working to rule over a productivity pay claim. This was followed by the sacking of more journalists elsewhere in the group for taking similar action.

Reject tough Stage Four says railmen's chief

BY OUR LABOUR EDITOR

Union would be prepared to negotiate reasonably but the Government's top priority to tackle unemployment and the "creeping de-industrialisation of Britain," Mr. Bill Ronksley, president of the Associated Society of Locomotive Engineers and Firemen, said yesterday.

But they would certainly wish to negotiate higher wages, a reduction in the working week and the abolition of overtime.

Mr. Ronksley, Left-wing leader of the small but powerful union, was addressing its annual conference in Dunblane, Perthshire. He said that Ministers and some union officials were con-

Tether argument over procedure

MR. C. GORDON TETHER, former Financial Times columnist, suggested yesterday that the industrial tribunal hearing his unfair dismissal claim should subpoena all members of the committee set up by the National Union of Journalists and Newspaper Publishers Association to inquire into his dispute with Mr. Fredy Fisher, the editor.

It was this dispute—over the editor's control of the Lombard column which Mr. Tether wrote for 21 years—that culminated in Mr. Tether's dismissal.

Mr. Tether, 64, seeks reinstatement. He was questioning Mr. Lionel Morrison, an NUJ member of the disputes committee yesterday about the meaning of the committee's findings when Mr. Thomas Morrison, counsel for the Financial Times, protested about the line that was being taken.

Mr. William Wells, QC, tribunal chairman, said he and his colleagues were also questioning relevance in relation to the matters which they had to decide. Mr. Tether said that the evidence was that the committee meant and whether they saw the disputes procedure as being an end in itself or the greatest relevance to the fairness or otherwise of my dismissal.

"I feel the court should hear it—even if it is necessary to subpoena the entire committee," he said. "I should surely be contrary to the interests of justice if evidence as relevant as this were excluded because of procedural difficulties."

Mr. Tether said that the sensible and just thing to do would be to allow Mr. Morrison

to give his evidence, and, if the Financial Times felt that he had not presented the position correctly, they should feel free to call a witness from the NPA side to give his account. Mr. Tether said that the Financial Times had featured the events of the disputes procedure as being one of the most important factors contributing to the decision to dismiss him.

Breakdown

His alleged refusal to abide by the decision of the committee had been cited in their case to the tribunal as one of the three causes of the breakdown of the working relationship that led to the decision to dismiss.

He said there were three issues in respect of the events of the disputes procedure.

The first was the question of whether there could be said to be a decision of the disputes committee with which he could reasonably be said to have refused to comply.

The second was the question of whether the newspaper could reasonably have interpreted the disputes committee's findings as denoting that the committee was attributing blame to him for its inability to achieve a working relationship between the parties.

The third question was whether the newspaper could have reasonably believed as a result of that finding that the disputes procedure was at an end.

Mr. Tether said that the tribunal would have to consider whether the Financial Times could have reasonably and in good faith acted on such assumptions

if they were going to take the very important decision to dismiss him on the basis of them.

The disputes committee findings had been expressed in extremely vague terms, and had the Financial Times been acting in good faith they would have gone to the committee or at least to the NPA members of it and asked what the findings meant, whether the dispute was considered to be resolved and whether the disputes procedure was exhausted.

Mr. Morrison asked the tribunal to note that Mr. Tether had again made specific allegations about the paper's good faith. He would subsequently be addressing the tribunal on costs and would base that argument on certain facets of the evidence—and these remarks would be included as relevant to the question of costs.

He submitted that all three issues mentioned by Mr. Tether were matters of argument and not of evidence, and that there was no suggestion anywhere from the union side that the disputes procedure had not been exhausted.

Mr. Morrison said that, if the tribunal heard all evidence whether it was relevant or not, the case would become totally oppressive for his clients.

The question before the tribunal was whether or not the dismissal was unfair. This had not been the question before the disputes committee, and, in any case, if it had been, the tribunal was in no way bound by any decision of that committee.

It was wholly unacceptable that there should be a long



More than 1,000 Merseyside trade unionists arrived at London's Euston station yesterday and marched along Arundel Street before dispersing and making their own way to Westminster to lobby North-Western MPs. They were protesting about the state of plant closures and redundancies in Merseyside where unemployment is almost twice the national average.

Call to end shipyards pay delays

By Our Labour Editor

SHIPBUILDING UNIONS are to insist that next year their national wage agreement should be put into effect on the same date in every part of British Shipbuilders. At present it has to wait for local pay anniversary dates.

Mr. John Chalmers, general secretary of the Boilermakers' Society, said yesterday that if the Government imposed another incomes policy it would allow this move.

The unions have been told that the outline of an agreement for this year had been cleared by the Department of Industry. This follows concessions under the pay guidelines to engineering workers in their recent deal.

Minimum rates of £37 a week, moving to £50 for skilled men, and £45, moving to £55 for unskilled, as in the engineering deal, are likely to emerge for the 86,000 shipyard workers. Average earnings are about £78 and £88, according to the employers.

Thatcher speech attacked

By Nick Garnett, Labour Staff

THERE WAS no prospect of a Conservative government forming any rewarding partnership with unions, Mr. Roy Hattersley, Prices Secretary, said yesterday.

Referring to the week-end speech to Bow Group Conservatives by Mrs. Margaret Thatcher, Tory leader, during which she said the rule of law was threatened by union kangaroo courts, Mr. Hattersley added that Mrs. Thatcher had chosen "to drag out and dredge up all the tired war-cries of the old anti-union campaign."

The Tories did not want a partnership with the unions, Mr. Hattersley told delegates to the radio and television servicing conference of the Electrical and Plumbing Trades Union in Scarborough.

Earnings levels were still the most important element in inflation. Nevertheless, Mr. Hattersley did not conclude that in the wage-round after August "we can or should" have a wage policy modelled on that of the past few years.

A new factory plus new machinery worth £500,000 for less than £200,000 and no strings!

Whatever the gross cost of your expansion or re-location project you can save over 60% by moving to Newcastle. It's where Britain's best business package is waiting for you plus a range of ancillary benefits you'll find hard to beat. And all with no strings! Capital grants, long loans at low rates, tax allowances, rent relief, interest subsidies... you'll be pleasantly surprised — and not just financially either. Look at what else is going for you in Newcastle:

Excellent Amenities

The biggest and most modern shopping Centre in Europe. See the City for yourself. Thirty minutes by car if you want to sail, walk in unspoilt countryside or birdwatch on the coast.

People

There's a pool of people you can choose from — skilled and unskilled and we'll put a team at your disposal to advise on housing, education and all re-location aspects.

Housing

In the North East, there is a good choice of housing and you don't have to spend half your life commuting if you want to live in the country. The City also has one of Britain's best records for council house building.



City of Newcastle upon Tyne

Newcastle—could be your best business move ever!

A1 Road, Rail, Air & Sea Services

London by rail in 3 hrs. by road in less than 5 hrs. Direct rail links throughout the country. Airport with regular national and international flights by BA, British Caledonian, Air Anglia and Dan Air. Deep water port facilities and direct sea links to Scandinavia.

Factories and Sites to choose from

Let us have your specifications and we'll supply you with a selection of buildings or sites to meet your requirements. You name it and we probably have it.

Custom-built Packages

Whatever your requirement, we'll tailor a package specially for you, including sites, buildings, people, plus all the cost-saving and funding schemes for your project. You'll have it on your desk fast, marked "Confidential".

High Speed Decisions

You'll find Newcastle's response is the fastest in the country, from enquiry to planning approval.

And there's more, including extra special grants exclusive to this region. The best business move you've ever made could be when you ask for more information about Newcastle. Write, phone or use the coupon.

Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP
Telephone: 0632 610652.

To: Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP

NAME _____ POSITION _____

COMPANY _____

ADDRESS _____

Please send me full information on the benefits of re-locating in Newcastle.

TH1:

FT8/5 PO02

PARLIAMENT AND POLITICS

Third reading Premier declines offer given by MPs to Welsh Bill

BY IVOR OWEN, PARLIAMENTARY STAFF

ALTHOUGH THE Welsh Bill completed its passage through the Commons last night, MPs on all sides questioned whether it will lead to the establishment of a Welsh Assembly in Cardiff. The third reading was carried by 292 votes to 264 a Government majority of 28.

Supporters and opponents of the Bill conceded that the provision requiring that the referendum on the devolution proposals must produce a "Yes" vote, equivalent to 40 per cent of the Welsh electorate to be effective, could prove to be a built-in "self-destruct" mechanism.

Mr. Gwynfor Evans, leader of the three Plaid Cymru MPs, claimed that the introduction of the 40 per cent hurdle called into question the sincerity of the Government in advocating Welsh devolution.

He was sharply reminded by Mr. Michael Foot, Leader of the Commons, that the 40 per cent provision had been written into the Bill as a result of a Government defeat.

Ministers were ill opposed to the 40 per cent provision, but they had to accept the decision of the House of Commons. The 40 per cent hurdle should be seen as a challenge which the Welsh people could overcome.

While accepting Mr. Foot's position, Mr. Evans continued to question the sincerity of the Government as a whole, alleging that the Prime Minister, despite representing a Cardiff constituency, had not said one word on devolution in all the time that the issue had been before Parliament.

The Plaid Cymru leader stressed that in practical terms only 65 per cent of the Welsh electorate could be expected to participate in the referendum. If a 60 per cent turnout were achieved—not many more had voted in the Common Market referendum which had had all the advantages of nationwide Press and television publicity—those voting "Yes" would have to be in a two to one majority over those voting "No."

With a 30 per cent turnout, a four to one majority would be required to clear the 40 per cent hurdle.

Mr. Evans said he feared that the Government was just taking Wales for a Parliamentary ride. Only a sustained publicity campaign over the next two months, supported by all Ministers and all members of the Labour Party, would persuade the Welsh Nationalists to take a different view.

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN showed few signs yesterday of any political hangover from the Finance Bill row, but cautiously declined Mrs. Margaret Thatcher's invitation to test another all-party challenge.

The exuberant Tory leader suggested that if a 33p tax rate was irresponsible—as the Prime Minister had declared—then the Government should try to raise it again on a vote of confidence.

"A very interesting suggestion," Mr. Callaghan remarked. "Extremely ingenious... I shall give it very careful consideration."

Labour MPs, fidgeting as if they had been fazed with some political allusion, jeered Mrs. Thatcher's apparent reluctance to initiate the vote of confidence herself.

But Mr. Norman Tebbit (C Chingford) urged the Prime Minister, if he would not venture into the lobbies at least to take an outing to east London.

Mr. Callaghan could then

explain to the people why he clung to office when he had no other support left, he said.

There was no doubt who would get the better reception if the two of them went to face the people together, Mr. Callaghan retorted briskly. He had been "quite happy" with the local elections, he said in passing.

But the situation was not satisfactory, he agreed. "I shall go to the country for a clear majority for a Labour Government whenever I think it appropriate," he added amid Labour cheers.

Until that time came, the Government would take any necessary steps to put right the effects of the Tories' irresponsible behaviour.

Millions of people would not benefit from the tax cut, Mr. Callaghan said. But if the Tories pursued their present course they would widen the gap between poor and rich.

It had not escaped the notice of Labour MPs that Mrs. Thatcher herself would benefit—and they had a merry

discussion of whether she deserved a bonus.

Dr. Edmund Marshall (Lab, Gwent) recorded that the Tory leader had asked 294 questions in return for her £25,000 salary. "But since only six or seven could be described as positively constructive, she has virtually no eligibility for a productivity bonus," he said.

Parliament required a strong and effective Opposition, Mr. Callaghan replied with a patronising smile at the Tory front bench. "I think the Right Honourable lady earns every penny of her salary considering the Opposition is so much of a one-man band."

"I'm not that one man more than the Government has got," Mrs. Thatcher snapped.

Mr. Callaghan looked almost as hurt by that as Mr. William Whitelaw. But both regained their smiles as Mr. Joe Ashtons (Lab, Bassetlaw) recalled that Mrs. Thatcher had watched the Cup Final last weekend and afterwards named someone who was not playing as her man of the match.

Thatcher and Steel on losing side in political levy vote

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN ATTEMPT by Mr. Richard Page (C, Workington) to introduce a Bill allowing individual trade unionists to choose which political party should receive their political levy was narrowly defeated in the Commons yesterday by six votes (200-194).

The Bill was strongly opposed by Labour MPs and denounced by Mr. Jeff Rooker (Lab, Perry Barr) as "crazy and stupid." But among those voting for it were

Mrs. Margaret Thatcher, leader of the Opposition, and Mr. David Steel, the Liberal leader.

Mr. Page, who was trying to introduce the Bill under the 10-minute rule procedure, claimed that it would reinforce the fundamental right of freedom of choice. It would also bring a greater understanding between the political parties and the trade union movement.

"I believe there is a growing

feeling among rank-and-file trade unionists that the trade union movement is tending to become not only an establishment-orientated but a mere extension of the Government of the day," he argued.

If members were given a choice of party, he could foresee a situation where the relative movement of contributions between the parties would be taken as an indicator of the effectiveness of political policies.

From the Labour benches, Mr. Rooker said he could not imagine a more stupid use of the 10-minute procedure. Under the Trades Union Act of 1913, which Mr. Page was seeking to amend, funds could not be used for political purposes unless approved by a resolution of union members.

"The Bill is unnecessary, simply because, if a member does not want to pay the levy, he does not pay it," he said.

In the last two years, the certification officer had received only 21 complaints from union members concerning the levy. If the Bill were approved, the unions would be forced back to the position of the last century, where they could not use the constitutional process to get a voice in Parliament.

Mr. Rooker also protested that Mr. Page had made no mention of the fact that the party should fight the political contribution. The housewife buying soap-powder could not say that she did not want part of her money passed on to a political party, he said.

Callaghan urges realism over PLA cash crisis

BY IAN HARGREAVES AND JOHN HUNT

THE Prime Minister yesterday threw his weight behind a solution based on harsh commercial realism to resolve the Port of London's cash crisis.

Mr. Callaghan said in the Commons, that commercial criteria must be the test against which the future of London's upper docks were judged. There will be no long term future for this country if we continue permanently to subsidise facilities for which there are no use," he told MPs.

His remarks followed Monday's less decisive Commons statement by Mr. William Rodgers, Transport Secretary, but provide strong support for the line which Mr. Rodgers is taking in private.

This line, in broad accord with that of Mr. John Cuckney, chairman of the Port of London Authority, is that the upper docks must be closed either immediately or over a period of about one year and the PLA's activity centred upon the container port of Tilbury.

Mr. Cuckney revealed last week that the port, which lost £8m. in 1977, was heading for bankruptcy. Mr. Rodgers with three costed options for the port, all of which involve closing the East End docks on the upper river with the loss of more than 4,000 jobs. Even if immediate closure is decided upon, a substantial Government grant will be required to maintain the port's liquidity. The sum involved could be between £20m. and £30m.

The principle opponent of the plan in Cabinet will be Mr. Peter Shore, Environment Secretary, whose department is committed to a programme of revitalising inner cities and who has a large personal stake through his constituency of Stepney and Poplar.

The matter is not expected to go before full Cabinet until the PLA itself has completed discussions with trade unions, which start next week. Adding to pressure for speedy action is the difficulty the authority will be experiencing later this summer

in simply meeting its wages bill. Mr. Callaghan told MPs that Mr. Rodgers would consider the matter thoroughly before the Government reached a verdict.

Mr. Nigel Spearing (Lab, Newham S.) asked for an assurance that as part of the inner urban programme the Government would examine every possible means of seeing how far the facilities could be maintained and usefully used for the whole of east London.

According to Mr. Spearing, the use of commercial criteria to assess the future of the docks was doomed to failure because of the Contingent competitor ports already received support from the State and from individual cities.

Mr. Callaghan agreed that closure of the docks would have a serious effect but added: "Docks have been closed in the past and will, I have no doubt, be closed in the future. But we must not underestimate the impact of closures of this sort on the life of the community."

Following earlier criticisms from Mr. Spearing and others that the PLA figures showing likely losses by the upper docks of £8m. this year were less than accurate, the authority is to produce separate accounts for the docks in question.

Call for bonus decision

THE GOVERNMENT has taken no decision yet on whether the £10 Christmas bonus to pensioners will be granted again this year. Mr. David Ennals, Social Services Secretary, said in the Commons yesterday.

He was replying to Mr. Tim Sainsbury (C, Hove) who said in 1967 was £77, compared with 175 the previous year. Mr. Robert Brown, Army Minister, said in a Commons written reply yesterday.

Payments of £10,000 for vaccine damage

TAX FREE lump sum payments of £10,000 for children and adults severely damaged by vaccine, were announced by Mr. David Ennals, Social Services Secretary in the Commons yesterday.

But there was only a modified welcome from Mr. Jack Ashley (Lab, Stoke S.) who has led a campaign for compensation for the children. He saw the payments as an interim measure and made clear that more would be expected later.

For the Opposition, Dr. Gerard Vaughan questioned the value of a fixed amount. It bore no relation to the future needs of individual children, he said. Announcing the payments, Mr. Ennals said they would not prevent the rights of those who had suffered damage to take action in future. Nor would they prevent decisions the Government would make on the Pearson Committee recommendation that there should be strict liability for severe damage by vaccine.

Mr. Ennals said the £10,000 payments would be made to those damaged by vaccines recommended for the benefit of the community, whether children or adults, since July 5, 1968.

He insisted vaccines against diphtheria, tetanus, whooping cough, poliomyelitis, measles, rubella, tuberculosis or smallpox were up to the date when routine use ceased to be recommended.

Mr. Ennals said the receipt of attendance or mobility allowance for conditions which could be attributed to vaccine damage.

In the meantime, the Government was still studying the Pearson recommendations, including strict liability in tort for vaccine damage.

Army captains

THE NUMBER of Army captains who resigned prematurely in 1977 was 577, compared with 175 the previous year, Mr. Robert Brown, Army Minister, said in a Commons written reply yesterday.

Labour candidate at Hamilton predicts Nationalist decline

BY RAY PERMAN, SCOTTISH CORRESPONDENT

FAILURE of the SNP campaign in Mr. Fred McDermid, the regional elections, Labour is confident that it will hold off the Nationalists, who won the seat Labour candidate at Garscadden, in 1967 but lost it in 1970. At the 1974 general election, Labour's majority was 3,300.

The SNP candidate is Mrs. strong pro-devolutionist. Margo MacDonald, senior vice-chairman of the party. She is a key battle in Labour's fight to needs a swing from Labour of more than 4 per cent, to win the seat in the local elections last week there was a swing of 9 per cent in the opposite direction.

The Conservative candidate is of Scotland have to make. They Lord Alexander Scrymgeour and have to say whether they want the Liberals have nominated separatism or not," he declared.

Mr. Robertson, like Mr. Donald Dewar, the successful Nationalist, who won the seat Labour candidate at Garscadden, in 1967 but lost it in 1970. At the 1974 general election, Labour's majority was 3,300.

The SNP candidate is Mrs. strong pro-devolutionist. Margo MacDonald, senior vice-chairman of the party. She is a key battle in Labour's fight to needs a swing from Labour of more than 4 per cent, to win the seat in the local elections last week there was a swing of 9 per cent in the opposite direction.

The Conservative candidate is of Scotland have to make. They Lord Alexander Scrymgeour and have to say whether they want the Liberals have nominated separatism or not," he declared.

PARTY AGREES COMPROMISE ON RE-SELECTION OF MPs

Harmony rules as Labour fixes gaze firmly on next election

BY RUPERT CORNWELL, LOBBY STAFF

THE Labour Party is now suffering from a pronounced outbreak of peace within its ranks — a phenomenon that is, of course, not entirely unconnected with the likelihood of a general election within the coming six months.

The Common Market controversy, which has bedevilled it for a decade, has been laid to rest, and the National Executive Committee has grudgingly agreed that the party should fight the first direct elections to the European Assembly in the summer of 1979.

On economic matters, too, there is comparative harmony. A meeting of the Parliamentary Labour Party saw the remarkable spectacle of a grateful Mr. Healey blowing kisses to Mrs. Audrey Wise, in the past one of his most virulent Left-wing critics on the backbenches, after the lady's most kind remarks about his April Budget. And now, most important of all, agreement has been reached on the explosive issue of whether sitting MPs should automatically face re-selection by their constituency parties between general elections.

The scheme that will go to the NEC later this month—and presumably be approved—is a compromise between Left and Right, though perhaps tilted towards the latter. The former have dropped their insistence that a full scale re-selection conference should be mandatory. But the Right have accepted that an MP's job is not a sinecure; that he should be re-elected at a special mid-term meeting of the local party, and that, if unsuccessful, he should have to join a new shortlist of candidates.

Labour's rule book will thus be changed, so that an orderly procedure will replace the present choice between re-election or the nod in the scramble after an election has been called, and the typical unsavoury and endless struggle to winkle an MP out.

Just how important is the agreement reached by the NEC's sub-committee on Monday may be measured by the fact that re-selection drew more resolutions and amendments (70-odd in all) than any other issue discussed at the 1977 Labour conference, months and three years after an In the strange parlance of such occasions, the topic was "re-



Mr. Joe Ashtons... his Left-wing credentials helped.

he has served for at least 12 months, and ample right of appeal, albeit only on procedural grounds, are provided.

Two things seem to have led to the compromise: the common desire, stemming from the proximity of an election, not to rock the boat and hand the Conservatives ammunition for the "Red peril" arguments that will feature in their campaign, and a recognition of the facts of Labour party life.

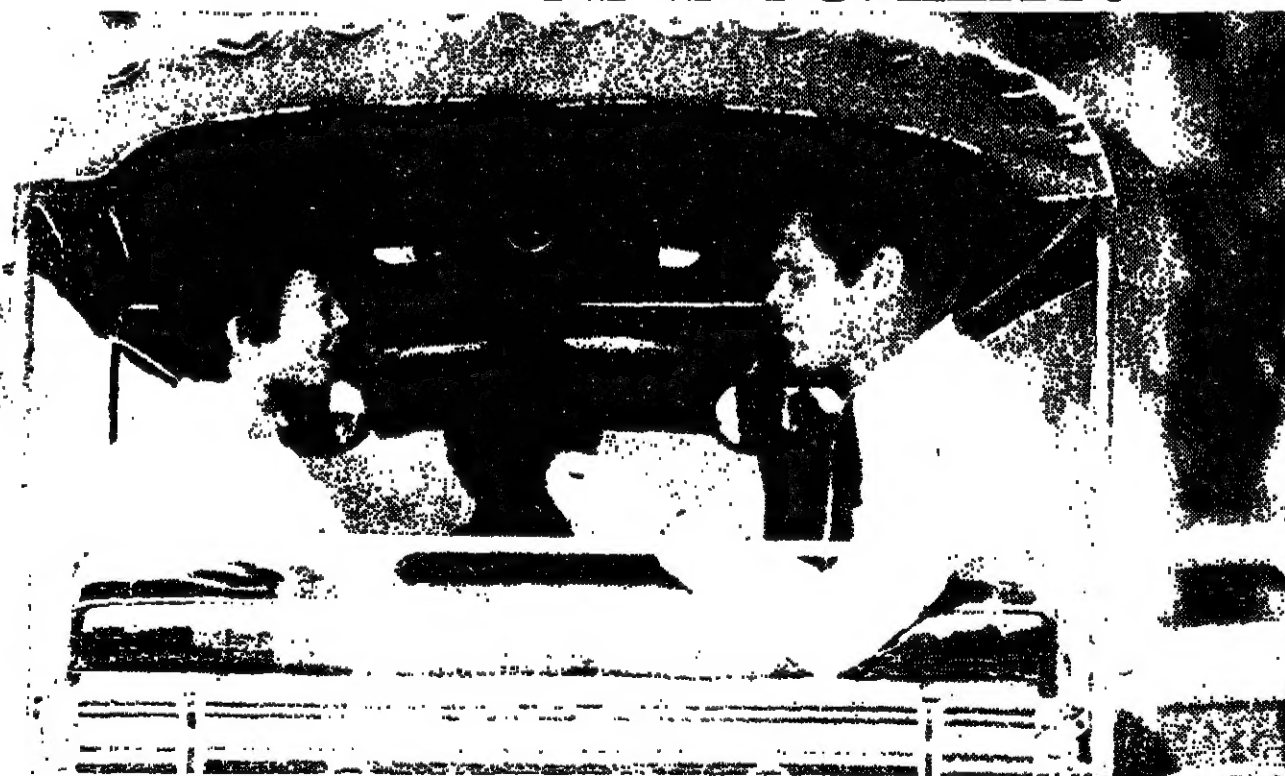
The two-stage, optional, re-selection formula was undoubtedly helped on its way by the Left-wing credentials of its author, Mr. Joe Ashtons, MP for Bassetlaw, who leant heavily on the warning that a Labour Government could be wrecked by the maverick votes of a handful of MPs, disowned in their constituencies, who would have nothing more to lose.

Even more important, though was the role of the trade unions, with their enormous inbuilt influence in the party who backed the compromise. Only three Left-wingers voted for immediate and automatic re-selection for every MP on Monday night; the others realised that whatever happened, the union regiments and their block votes would carry the day at conference, and went along with the Ashtons device.

The 10-3 outcome testifies to a new reality in the party that on matters of Labour's internal organisation, the unions are increasingly siding with the moderates. This alliance has already forced into being, against the wishes of the Left, an inquiry into party structure which will be doing him proud.

Not everyone, and least of all the Campaign for Labour Party Democracy, which insists on extra accountability of a Labour MP to his local party, will be happy. But that's the way it will almost certainly be. Back in Downing Street, Mr. Callaghan must be having a quiet chuckle. Maybe, on pay policy, the old magic isn't working as well as it used to. But, on re-selection, the unions are doing him proud.

DOING BUSINESS IN THE ORIENT?



When you're doing business in the Far East, it helps to have the right connections.

It's important, too, to have convenient travel connections. To arrive fresh enough to ensure a successful visit.

Connections like the four SAS express routes with 9 weekly flights from Copenhagen.

SAS has a way and a day to suit your timetable.

SAS
SCANDINAVIAN AIRLINES

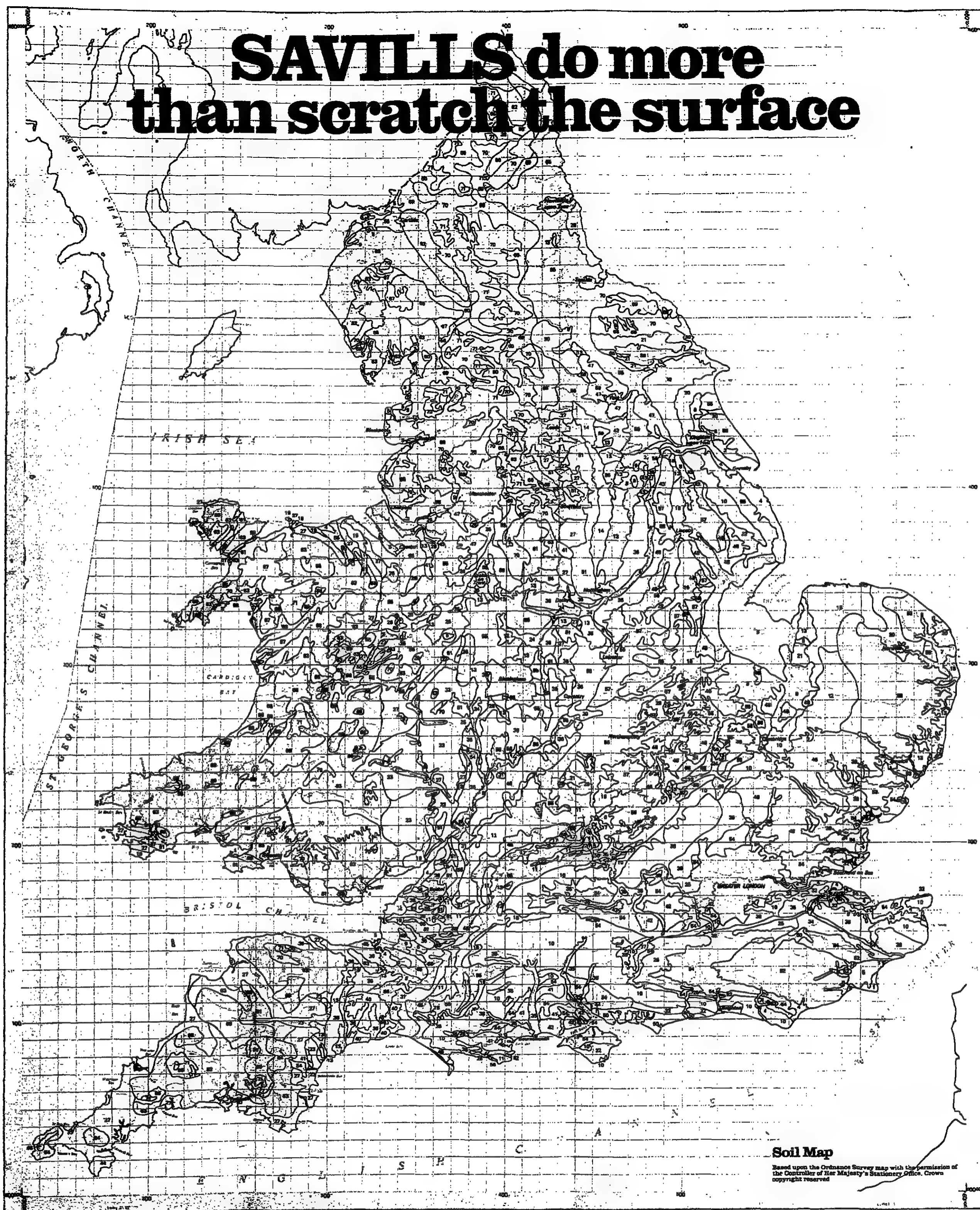
Serving: Copenhagen, Delhi, Karachi, Manila, Singapore, Tokyo, Bangkok — with good connections to Hong Kong

هكذا مت الرحيل

IMPORTANT ONE DAY NATIONAL CONFERENCE entitled BUSINESS AND POLITICS

Chairman: Mr. A. Shaw, Ashridge Management College.
Speakers: Rt. Hon. Peter Walker, MBE, MP; W. Weinstein, Fellow in Politics, Balliol College; J. Hargreaves, J.P., Chairman, Marxist Corporate Affairs; T. Price, Secretary General—Uranium Institute.
TO BE HELD AT THE HOTEL RUSSELL, LONDON
28 JUNE 1978
Enquiries to: Miss C. Boswell
Executive Offices, 29 Octagon Parade, High Wycombe, Bucks.
Telephone: 0494 33171

SAVILLS do more than scratch the surface



Among our many country-wide property services, there may be one that you don't know about. So here is a quick run-down on the way that Savills people spend their working days.

Commercial Department

We help companies to find the right premises in the right places at the right rents and on the right terms.

We advise Pension Funds and Insurance Companies on direct investment in commercial and industrial property (a highly attractive field, but you have to know what you're doing).

We acquire, sell, manage and value commercial and industrial holdings; manage development projects, advise on lease renewals and rent reviews.

Agricultural Department

Finding and managing estates for private individuals is an important aspect of our work, as the country life is immensely attractive and the financial benefits can be substantial.

We advise Pension Funds and Insurance Companies on the acquisition and sale of agricultural land.

And for all our purchasing clients, we offer a nationwide management service

through our country offices and associate firms.

Residential Department

For purchasers and sellers of houses and flats we go to endless trouble to find the right place and to get the right price.

As well as the activities of these three basic divisions, we provide a range of services through our overseas offices.

Consider the wealth of information and experience which is available through all these departments, and you'll quickly realise that when we say we do more than scratch the surface, we mean it!

SAVILLS

The complete property service.

20 Grosvenor Hill, Berkeley Square, London W1X 0HQ.

Tel: 01-499 8644

Banbury Beccles Chelmsford Colchester Croydon Fakenham Hereford Lincoln Norwich Salisbury Wimborne
Paris & Amsterdam
Associates in Scotland. Represented in Guernsey.

Banking figures

(see table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks		April 19, 1978	Change on month
		£m.	£m.
Eligible liabilities			
U.K. banks			
London clearing banks	24,686	+723	
Scottish clearing banks	2,638	+43	
Northern Ireland banks	827	+4	
Accepting houses	1,926	+51	
Other	6,357	+168	
Overseas banks			
American banks	3,996	+76	
Japanese banks	363	+23	
Other overseas banks	2,974	+191	
Consortium banks	238	+33	
Total eligible liabilities	43,889	+1,316	
Reserve assets			
U.K. banks			
London clearing banks	3,238	+98	
Scottish clearing banks	333	—	
Northern Ireland banks	119	+1	
Accepting houses	299	+10	
Other	833	+19	
Overseas banks			
American banks	593	+23	
Japanese banks	329	+12	
Other overseas banks	47	+4	
Consortium banks	—	—	
Total reserve assets	6,111	+92	
Constitution of total reserve assets			
Balances with Bank of England	333	+89	
Money at call	3,310	+67	
Other	243	+3	
Tax reserve certificates	—	—	
U.K. Northern Ireland Treasury Bills	843	+124	
Other U.K. bills	190	+10	
Local authority	763	+28	
Commercial	—	—	
British Government stocks with one year or less to final maturity	406	+100	
Other	—	—	
Total reserve assets	6,111	+92	
Ratios %			
U.K. banks			
London clearing banks	13.2	—	
Scottish clearing banks	13.3	+0.2	
Northern Ireland banks	14.4	—	
Accepting houses	15.1	+1.0	
Other	11.0	—	
Overseas banks			
American banks	14.9	+0.9	
Japanese banks	14.9	+0.8	
Other overseas banks	17.8	+0.8	
Consortium banks	19.8	+3.4	
Combined ratio	13.9	+0.2	
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to			
£m.	£m.	£m.	£m.
13	—	1	—
2—Finance houses			
Eligible liabilities	323	—	8
Reserve assets	33.8	—	0.1
Ratio 1977	10.4	—	1.1
Special deposits at April 19 were £1,247m. (up £11m.) for banks and £10m. (unchanged) for finance houses. Interest-bearing eligible liabilities were £29,397m. (up £705m.).			

CBI QUARTERLY TRENDS

'Stagnation or little better'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE APRIL Budget failed to boost confidence about prospects in manufacturing industry, according to the Confederation of British Industry's quarterly trends survey which was published yesterday.

In a report of the views of about 2,000 companies questioned in the fortnight after the Budget of April 11, the Confederation says: "In terms of capacity working and of past trends in new orders and output, the general picture in manufacturing industry has again been one of stagnation or little better."

Higher activity is not expected in the next few months because output is likely to be limited as a result of poor demand in about 50 per cent. of the companies questioned.

In addition, "Export prospects are weak with firms experiencing deteriorating price competitiveness in depressed markets." There has, however, been some improvement here compared with the last survey.

It appeared that employment in manufacturing industry—which accounts for one-third of the country's workforce—was probably falling.

"On the brighter side, investment intentions remain quite strong. Cost increases are becoming a little less widespread, and the financial position of manufacturing industry does not appear to be worsening."

Resurgence

The general situation shown by the survey is that, instead of any resurgence of general business confidence, there has been a slight weakening since the Budget. While 17 per cent. of the respondents were more optimistic than four months ago, about 20 per cent. were less buoyant.

This balance between the two groups of -3 per cent. is marginally worse than the last quarterly survey was conducted in January.

Policy "implications" drawn from the survey results are based on the fact that manufacturing industry overall is "still far from busy."

The Confederation says that this is the result of a number of factors such as a prolonged period of low growth at home and overseas, pressure on competitiveness, "damaging interference" by the Government in the affairs of industry, and poor productivity, profitability and incentives.

This is reflected in the section dealing with employment which shows a strong trend towards a reduction in jobs in the 2,000 manufacturing companies replying.

Export trade

Companies completing these questions have direct exports exceeding £10,000 per annum. Number of respondents 1,425.

Are you more or less optimistic about your export prospects for the next 12 months

More Same Less N/A

(12) (33) (32) (1)

Excluding seasonal variations, do you consider that in volume terms:

More Same Less N/A

(14) (37) (38) (2)

Your present export order book is

More Same Less N/A

(14) (37) (38) (2)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

Volume of total new export orders

More Same Less N/A

(22) (40) (21) (2)

Volume of export deliveries

More Same Less N/A

(27) (50) (22) (1)

Average prices at which export orders are booked

More Same Less N/A

(42) (41) (13) (2)

What factors are likely to limit your ability to obtain export orders over the next four months:

Delivery Quota and Political or

Prices compared with overseas Credit or

competitor's licence

(62) (18) (3) (12)

Other

(14)

ing to the survey which together

employ some 3m. people.

The figures recorded "point

firmly towards lower employ-

ment."

On the basis of previously-

observed relationships between

the survey answers and official

statistics, the report concludes:

"We would expect employment

in manufacturing to be falling

between the end of last year

and August. This is rather sur-

prising, against the background

of falling unemployment in the

economy as a whole."

The report adds that lower

employment is already most pro-

nounced among the largest com-

panies and in industries such as

metal manufacturing, chemicals

and allied industries, and food,

drink and tobacco.

At the same time, however,

shortages of skilled labour are

being reported by some com-

panies as a significant constraint

to output. About 20 per cent. of

the companies replying to the

survey reported such shortages,

and those in some parts of

engineering said that the short-

ages were causing difficulties.

Confidence about export pros-

pects for the next 12 months is

not strong, although there has

been an improvement in the past

four months.

"Between the two surveys there

has been a marked swing from

widespread pessimism at the be-

ginning of the year to slightly

greater optimism now among the

largest employers.

show a decline in new orders, especially in textiles, although there has been an improvement in some areas as diverse as heavy industrial plant and furniture and bedding.

While 45 per cent. of companies regard their present total order books as being below normal, only 13 per cent. (mainly in electrical engineering) say they are above normal.

"Such figures illustrate how any revival in demand has yet to reach the manufacturing sector," the confederation said. "This was reinforced by 70 per cent. of companies saying they now had less than four months' work on hand. Six months ago the comparable figure was lower, at 65 per cent."

On capacity working, 66 per cent. of the companies report that they are working below a satisfactory full rate of operation. Among the largest companies the proportion is 73 per cent. The position is "noticeably worse" for intermediate industries rather than for producers of capital or consumer goods.

Contrast

This picture of around two-thirds of manufacturing industry working below capacity working has continued since January last year and reverses the pattern of cyclical recovery in earlier business cycles. There has also been no noticeable change in the trends on stocks.

In contrast, investment intentions have conformed closely to their present cycle to the established pattern, and are most buoyant among the largest companies. This leads the confederation to forecast that the volume of private manufacturing investment will rise 10-15 per cent. in the 12 months ending in October, and that a similar picture will be repeated in the following 12 months.

The confederation includes questions on corporate liquidity in its survey every six months, and this time the results show that "net liquidity in manufacturing industry is slightly better now than in April 1977, although the improvement may have been a little less than was expected six months ago."

What improvement there has been is most pronounced among the smaller companies and in the consumer goods sector. Those in the paper and printing and the textiles industries are most likely to have done best. The opposite is true for electrical engineering.

CBI Industrial Trends Survey, April 1978, No. 68. Full Results. Annual subscription £50 (CBI members £30). 21, Tothill Street, London, S.W.1.

In general total order books

Details of trends

TOTAL TRADE—2,032 respondents. All figures are percentages on a weighted sample. Figures in parentheses show the response to the survey carried out last February.

Are you more, or less, optimistic than you were four months ago about the general business situation in your industry

More Same Less N/A

(17) (63) (20)

(19) (63) (18)

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months

More Same Less N/A

(22) (40) (38)

(23) (37) (39)

(a) Buildings

(41) (36) (23)

(b) Plant and machinery

(44) (22) (32)

Is your present level of output below capacity (that is, are you working below a satisfactory full rate of operation)

More Same Less N/A

(66) (33) (1)

Excluding seasonal variations, do you consider that in volume terms:

More Same Less N/A

(17) (41) (42)

(a) Your present total order book is

More Same Less N/A

(17) (41) (42)

(b) Your present stocks of finished goods are

More Same Less N/A

(19) (39) (41)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

Volume of total new orders

More Same Less N/A

(26) (43) (25)

Volume of export orders

More Same Less N/A

(27) (46) (27)

Volume of output

More Same Less N/A

(26) (43) (25)

Volume of domestic deliveries

More Same Less N/A

(26) (43) (25)

Stocks of:

(a) Raw materials and brought in supplies

More Same Less N/A

(22) (53) (25)

(b) Work in progress

More Same Less N/A

(26) (43) (25)

(c) Finished goods

More Same Less N/A

(26) (43) (25)

Average costs per unit of output

More Same Less N/A

(26) (43) (25)

Average prices at which domestic orders are booked

More Same Less N/A

(43) (40) (17)

Approximately how many months' production is accounted for by your present order book or production schedule:

More Same Less N/A

(13) (44) (43)

(14) (42) (44)

What factors are likely to limit your output over the next four months:

Orders Skilled labour Other capacity finance competitors' Other

(27) (18) (4) (11) (3) (3)

Factors likely to limit your capital expenditure authorisations on buildings, plant and machinery over the next 12 months:

(a) I have adequate capacity to meet expected demand

(b) Although I have adequate capacity, I have also capital investment opportunities which would be profitable at the present cost of finance, but I shall not be undertaking some of them for the following reasons:

(i) Shortages of internal finance

(ii) Inability to raise external finance

(iii) Shortage of managerial and technical staff

(iv) Shortage of labour

(v) Other

(c) My capacity is not adequate to meet expected demand but I do not intend increasing my capacity. This is for the following reasons:

(i) Not profitable because of the cost of finance

(ii) Shortage of internal finance

(iii) Inability to raise external finance

(iv) Shortage of managerial and technical staff

(v) Shortage of labour

(vi) Other

(d) None of the above is applicable

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

(2) (1) (1) (1) (1) (1)

FINANCIAL TIMES REPORT

Wednesday May 10 1978

NORTHAMPTON

Last year's decision by the Government to curtail the pace of expansion of Northampton to a more realistic rate has reduced uncertainty in the town and lifted morale and confidence.

Time to catch its breath

NORTHAMPTON, the thriving East Midlands centre, which still retains its market town mentality, is adjusting to a more realistic rate of growth.

Since Norman and Plantagenet times, when its location at the centre of England made it an obvious choice for the home of Parliament and the Exchequer, the town has managed to foster its anonymity. Industrialisation of the boot and shoe trade in the last century, under the rigid non-conformity of benevolent factory owners, heralded a new period of economic growth which saw the town develop gradually to a population of 130,000 by the mid-1960s.

But the real upheaval came in 1968 when Whitehall committed a reluctant Northampton to expand its population by more than 100,000 in little more than a decade in order to act as a safety valve for the expected rapid growth of London. Though 60 miles from the metropolis, Northampton was charged with helping to alleviate the housing burden.

The town was promised ex-

pansion "at a white hot pace," it would mean sudden death," says Mr. Basil Bean, the appointed, and record house-building targets set. Fanciful figures fixed by central government were always regarded locally more as an aspiration than an aim, but the progress achieved has been dramatic.

Already some 4.5m. square feet of new factories and warehouses and 1.2m. square feet of offices have been built to create 10,000 new jobs. Two new shopping complexes, the Grosvenor and Weston Favell district centre, contributed to a 25 per cent. expansion of retail floor space in little more than three years.

Dual carriageways have scythed through open countryside and some 13,000 houses erected to create a whole new township, the eastern district. But it is only in the last nine months that Northampton has begun to reassert its expansion path. The statement by Mr. Peter Shore, the Environment Secretary, in September 1976, that the Government was reassessing the role of the new towns, created a prolonged period of uncertainty and damaged investment confidence.

Review

Government concern about the flight of jobs from Britain's declining inner city areas meant the future of Northampton, originally designated to act as a counter-magnet to growth in London, was subject to thorough review.

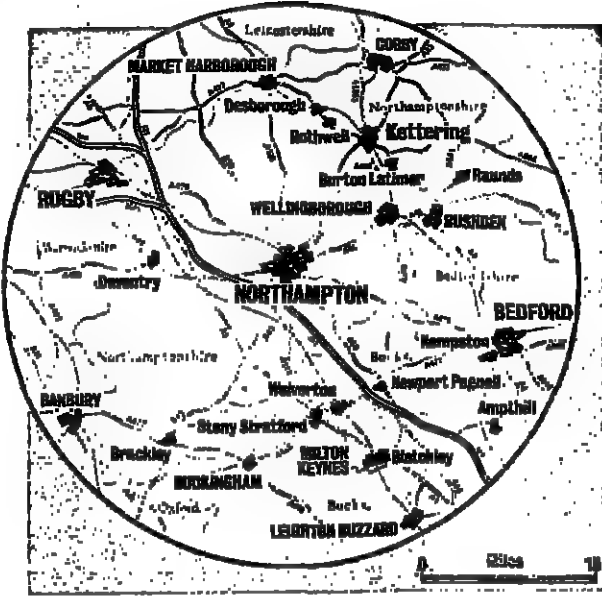
"The tide had clearly turned against the new towns, and for a time we did not know whether

it would mean sudden death," says Mr. Basil Bean, the general manager of the Development Corporation. Tall and bespectacled, his cautious, almost academic, air reflects a background in finance and new town corporations. "We were told to explore a range of options from a complete halt through to continuation of the programme as before."

In the event, Mr. Shore announced last July that expansion was to continue but at a much more realistic rate. The target population of 230,000 by 1981 was cut to 180,000 by 1980. "Paradoxically, the decision has given the town a boost. It has dispelled the uncertainty, and lifted morale and confidence," says Mr. Bean.

From his office block, which looks out across sweeping new highways to the Brackmills industrial estate, he is able to point to new factories going up. "In the eight years of expansion, we have never been busier in terms of inquiries for factories, warehouses and offices," he maintains. In recent months incoming companies have signed for 40 acres of industrial land.

Such overt signs of quickening industrial activity at a time when the national economy remains firmly on a plateau are largely due to Northampton's special circumstances. Located midway between London and Birmingham, the town is astride the motorway network and provides an ideal centre for service and distribution trades. In spite of the lack of mobile industry Northampton can still draw upon a growth sector: of



This Report was written by Arthur Smith.

seven small industrial units let in one week on a private development, six were for companies in service and distribution. The Development Corporation has also taken an aggressive lead in seeking jobs from overseas and has already attracted 23 companies from ten different nations to its industrial sites.

Mr. Leslie Austin-Crowe, the chief estate officer, is currently on a three-week promotional tour in the U.S. Efforts are also concentrated on six European countries: Belgium, France, Germany, Holland, Denmark and Sweden. The Development

Corporation will follow up an exhibition in Hamburg this summer with seminars in Frankfurt and Dusseldorf, while this month some 80 French industrialists will be brought over to see the town.

The influx of foreign companies, like Carlsberg and Levi Strauss, and the fact that Northampton has been selected as the U.K. headquarters of operations, such as Rockware Glass and Diversy, has made surprisingly little difference to its character. "I liked Northampton as it was—a country town where everybody knew everybody else. Strangely, that

has not changed," says Mr. John Barnes, an outspoken Conservative councillor.

From the leading opponent of town expansion a decade ago, Mr. Barnes now finds himself chairman of the borough's development committee responsible for promoting growth. "Expansion has worked better than anyone could have anticipated, despite the interference, vacillation, and bureaucracy of Whitehall," he maintains.

He is lavish in his praise of the co-operation between the borough council and the development corporation. The Government required Northampton, as an established industrial town, to enter a unique partnership arrangement with a Whitehall-appointed Development Corporation. The two public bodies have extended co-operation to the point of sharing offices and staff and promoting common programmes. Indeed, after reorganisation of local government, in 1974, the partnership was broadened to bring in the County Council.

Reappraisal

The most immediate problem for the three partnership bodies is the town centre: a fundamental reappraisal of land use has been made necessary by the sharp cut in target population.

Not only has the expansion programme been phased over a longer period, but the shops and offices that a town of 180,000 people can support are much less than those for a population of 230,000.

development, with the exception of one or two relatively small prime sites, look poor for at least the next decade. There is also a massive imbalance between the land at present allocated for office development and the likely demand. Northampton's grand hopes of becoming one of the most important office centres outside London collapsed with the property boom in 1973. Rents have shown little improvement over the last five years and some 400,000 square feet of accommodation is currently vacant.

Constraints were also placed upon the employment potential of the town centre by the political decision taken in 1974 by the Labour council to abandon plans for an "expressway"—a central distributor road that would have cut a swathe through the built-up area of the town displacing many hundreds of families.

Within the limited funds allocated for highway programmes over the next few years, it is thought that the road network will be unable to cope with more than 40,000 central area workers. The town already claims 26,000 employees; spaces within existing empty office blocks could accommodate at least another 3,000 and outline planning consents, granted but not yet built, would provide 3,800 jobs.

The dilemma which confronts the local council is the use to which it can put the formerly high value office sites. There is already more than enough land for retail development, while factories and warehouses are usually difficult to attract to central areas.

"We have an inner city problem," says Mr. Barnes. "We have large derelict sites in the central area, caused not by firms moving out but by our action in clearing the ground to deal with the 230,000 people the Government told us we should have." For the moment the council has allocated £50,000 for an "operation tidy up"—a programme of landscaping and tree planting to improve the worst areas of wasteland.

In the longer term the aim will be to achieve a cut back in office sites. Some land can be used for car parking and it is hoped to promote housing. Attractive sites close to two of the town's oldest churches are currently on offer to private developers—a move, which if successful, would encourage the first speculative housing scheme in the central area for some 40 years.

The partnership bodies are now thankful that the first few years of expansion were so hectic. The basic infrastructure network will be provided. Mr. Bean sees the role of the Development Corporation less as one of pursuing aggressive expansion and more one of consolidation and advance already made. "I think in the early days we had to put the emphasis upon physical development—the provision of bricks and mortar, of good housing—and I think we stand comparison with the best of the new towns. Now we must help to pull the town together and create a community spirit." Indeed, Northampton has at last been given the time to catch its breath and look forward to a more orderly pace of expansion.



Foreign investment in Northampton keeps on growing

Growing is what Northampton is all about. Growing in size and growing in status, with investment, particularly from abroad, increasing in momentum.

Since 1970 the population has grown from 133 000 to 147 000 and will keep on growing to 180 000 under its planned expansion programme.

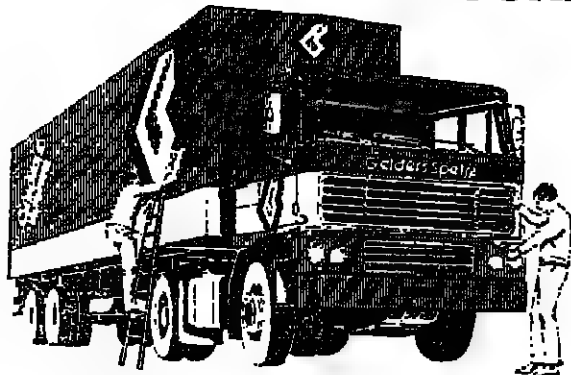
Northampton is a well established business centre. Major new office and factory developments are now taking place and are attracting more foreign investment. Internationally known firms such as Carlsberg and Levi Strauss have moved into the town alongside others like Avon Cosmetics and British Timken who were already here. Carlsberg's new brewery serves the whole of Britain and Levi's have established their UK sales and marketing head office and the largest computerised clothing warehouse in Europe here.

Investment has come from many parts of the world, from Argentina, Belgium, Canada, Denmark, France, Germany, Holland, Italy, Japan, Sweden and the USA. All these countries are represented by firms who deal in world wide markets; firms who were quick to evaluate Northampton's potential in terms of opportunity, location, communications, well established facilities and, of course, value for money. Over 200 firms, including more than 20 from overseas, have moved onto the new employment areas since expansion began.

With sound industrial and commercial foundations, an excellent employment situation and one of the best labour relations records in the country, our established town has much to offer. If you are seeking growth and a new base from which to expand in world wide markets take a look at Northampton. You will be pleasantly surprised.

For further information contact
Leslie Austin-Crowe, Chief Estate Surveyor,
Northampton Development Corporation,
2-3 Market Square, Northampton NN1 2EN,
Telephone Northampton (0604) 34734.

More than a new look...



...an even better service

The new Gelders Spetra lorry, now being seen on our trucks all over Europe, heralds the inception of our total world-wide freighting operations. We've always been known for our specialist European door-to-door service, but now we include—on the same highly efficient, personal, and fast basis—Deep Sea operations and General Forwarding, to complement our existing world-wide Distribution and Storage facilities.

Gelders UK Transport Ltd.,
South Portway Close,
Round Spinney Industrial Estate,
Northampton NN3 4RB.
Tel: 0604-43651 Telex: 311302.
Groupage—Full Loads—Storage—Distribution—Deep Sea.

Rainbows Carpets
Save you pots of money

STOCK CARPETS
Fitted within 7 days
at Discount Prices

ALL CARPETS FITTED FREE—7 DAY SERVICE
RAINBOWS FIT CARPETS BETTER
10 ABINGTON STREET, NORTHAMPTON - NN3 4RB

What About Your Company's Cars?

Are you realising the true value of such costly assets?

We specialise in Auction of any Size of Car Fleet and offer the finest Service Available, which includes Transporter collection, etc.

Join the many educated Companies (our current vehicle sales exceed £1m. per month), who now recognise this as the easiest and most effective method of disposal, having their vehicles offered to such a wide cross section collection of Buyers from countrywide.

Northampton Car Auctions
Brackmills Industrial Estate
Northampton
Tel.: Northampton (0604) 64041

AVAILABLE NOW in NORTHAMPTON COMMERCIAL

OFFICE BUILDINGS

Immediately available
in town centre

Greyfriars House
200 000 sq ft of offices above the new bus station

Belgrave House
73 000 sq ft forming part of Grosvenor Centre

Anglia House
27 000 sq ft in prime position

Other properties from 500 sq ft to 10 000 sq ft

OFFICE SITES

Immediately available
in town centre, district centre
and campus locations

Town centre site of 3.5 acres
For up to 300 000 sq ft (or can be sub-divided to a minimum
of 100 000 sq ft)

Town centre sites
Two for 30 000 sq ft

District centre sites
For up to 100 000 sq ft at Weston Favell Centre

Campus sites
60 acres available at Moulton Park

INDUSTRIAL

UNIT FACTORIES AT BRACKMILLS

All with car parking, offices,
toilets, gas fired warm
air heating and all mains
services

Remaining Units now available on Phases 1, 2 and 3
3000 sq ft 5000 sq ft 12 500 sq ft 20 000 sq ft

Reservation now being taken for Phase 4
Comprising 8 units of 10 750 sq ft each which can be let in
various combinations

INDUSTRIAL SITES

Choose from the wide range available on four employment
areas

There is a wide range
of houses to rent or buy.
Northampton has all
the facilities of an
established town.

For further information write or phone
L Austin-Crowe BSc FRICS, Chief Estate Surveyor,
Northampton Development Corporation,
2-3 Market Square, Northampton NN1 2EN.
0604 34734

NORTHAMPTON II

Encouraging industry

NORTHAMPTON HAS pulled toll, although some companies, such as Church with its quality products, have managed to show profitable growth.

Announcement of a £4.5m. industry aid scheme last month has helped to boost confidence. The state assistance is welcome more as an indication of Government commitment to the future of the industry.

Northampton's strength in the distribution sector derives from its location close to the motorway network. New clearways from the M1 give ready access to purpose-built industrial estates. London and Birmingham are within an hour's drive, while the motorway also offers a quick route to Castle Donington and Luton airports.

But, welcome as the new companies will be, there is a concern in the town that the action is centred upon the distribution and service sector. "We would like to see more real industrial development," says Mr. Roy Walker, president of the Northampton and County Chamber of Commerce.

Any anxieties expressed are in part a reflection of what is a national problem of the failure of manufacturing industry to lay down new capital; they are also an entirely predictable reaction from a town which has prospered on the Victorian ethic of hard work and enterprise.

The trend away from manufacturing to the more sophisticated service sector was clearly spelt out in the Master Plan for Expansion approved by the Government in 1968. This set the target that Northampton, which in 1956 had only 47 per cent. of its workforce in service trades, would by 1981 have overtaken the national average of 57 per cent. to have six out of 10 workers in such employment.

Expansion

Within the first six years of expansion workers in office and professional services had grown rapidly from 15,000 to 25,000. Numbers in distribution also increased by 20 per cent. to 12,000, while the manufacturing sector remained fairly stable. The biggest drop was in Northampton's traditional footwear industry which, with the rag trade, saw the loss of several thousand jobs to take the workforce to little more than 5,000.

Footwear, which in the immediate post-war period employed nearly 15,000, has been overtaken by light engineering as the principal industry. In recent years, lower consumer demand and cheap imports have continued to take their

to lose skilled men.

Another complaint voiced by the local engineering industry is that incomes policy, and the consequent restriction on labour recruitment, is acting as a positive drag on productivity. "Wage restraint is all very well if it is holding down unit costs, but if it is causing lack of effort and inefficiency it is inflationary," the managing director of one large company maintained.

A dramatic example of the way skilled workers are drifting out of the industry was given by another company which had lost four of its most experienced toolmakers. They had left to do completely unskilled work for a small upholstery firm where they could pick up £78 a week, compared with the £63 they could earn after 25 years in their own trade.

According to the managing director, the outflow of labour has increased in the last three

months. He views the trend not as a sign of any upturn in business activity—most engineering companies are still operating at only around 75 per cent. capacity—but as a response to rising living costs.

"These chaps are faced with higher rate demands and other household costs. Their only defence at a time when the Government says we can pay no more is to go elsewhere."

Companies also report shortages of specialist clerical staff, which they attribute to the rapid influx of new white collar jobs. "General accounts, sales and credit control clerks are like gold dust. Salaries have shot up from around £3,500 a year to £5,500," one large employer maintained.

Local industrialists, in line with the national surveys, as yet can see no prospect of any significant improvement. But the industrial sector anxious to provide a continuous supply of ready-serviced sites, the first areas to feel the benefit and advance factory units. The

of any quickening of economic activity, is already on the move.

Better

Mr. Anthony Hewitt, of Wilson and Partners, estate agents, says demand is better than for four years, and a few speculative developments are now under way. Rents have moved steadily up from the 85p to 90p a square foot levels of 1973. Wilson disposed of more than 200,000 square feet of warehouse and light industrial property last year at rents of between £1.10 and £1.25. By the end of this year rents for smaller units are expected to rise to £1.50 and to £1.35 for buildings of more than 5,000 square feet.

The Development Corporation, recognising the importance to industrialists of the immediate availability of floorspace, is currently promoting a campaign which this year will see renewed efforts to attract companies from the Continent of Europe. Northampton has adopted an aggressive approach in seeking to create up to 15,000 jobs which are seen as necessary by the mid-1980s if the town is to meet its population target.

Corporation currently has around 100,000 square feet of factories under construction, offering units of between 1,000 and 40,000 square feet.

Sites, varying from half an acre to 50 acres, are available on a 99-year ground lease. The Corporation is asking £3,000 per acre a year for sites of more than three acres, £3,100 an acre for between two and three acres, and £3,200 for between one and two acres.

The Corporation, recognising the importance to industrialists of the immediate availability of floorspace, is currently promoting a campaign which this year will see renewed efforts to attract companies from the Continent of Europe. Northampton has adopted an aggressive approach in seeking to create up to 15,000 jobs which are seen as necessary by the mid-1980s if the town is to meet its population target.

Housing market remains hectic

"AT LEAST the panic buying has stopped, but the housing market is still hectic."

That is how one of Northampton's biggest firms of estate agents sums up the present situation. There has been much national newspaper talk about whether and to what extent the country is enjoying another housing boom. In Northampton there is no doubt that in the early months of this year the local market really began to take off, property quickly moved into short supply, and prices began to shoot upwards.

Opinions are mixed about the likely impact of the Government's latest intervention to limit mortgage advances. Local building societies are still inundated with applications, but some agents suggest demand may have moderated a little over the past two weeks.

Signs that the market was beginning to tighten became apparent last autumn. Among factors influencing increased demand was the rise in earnings thought possible under the relative flexibility of the Phase Three period of incomes policy. Locally, demand had also held up well because of the steady inflow of new companies settling in the area. The town is also a popular base for sales representatives because of its easy access to the motorway network.

Prices across the full range of property increased significantly in the first three months of this year and have held their levels subsequently. In some sectors of the market, particularly between £15,000 and £20,000, there is a real shortage of housing.

For the past two years or so there has been relatively little business in individual properties costing upwards of £35,000. However, the high prices such houses are fetching is tempting more property onto the market. Auctions have again become popular and there are always keen buyers for accommodation which offers a large garden or a paddock. Anything with land is at a premium; whereas a few years ago at least two acres was required, now only half an acre is enough to push the price up.

Strength

Probably the surest sign of the renewed strength of the housing market is the fact builders are again buying land. Agents report that sites with planning consents are arousing a lot of interest.

The Development Corporation is actively encouraging speculative housebuilding as part of its social objective to achieve an equal balance between private ownership and rented accommodation.

Mr. Basil Bean, the general manager, reports: "Demand from speculative builders has gone up dramatically and there are no signs of it easing off."

In order to promote individual housing ideas, the Development Corporation will sell plots of land in an exclusive district, dubbed by the locals as "Beverley Hills." A quarter-acre site costs £9,000 and the purchaser is responsible for making the building arrangements.

The Development Corporation is also an important building agency in its own right as one of its principal aims is to help reduce London's severe housing problems by providing homes and work for families from the metropolis.

There is a formal mechanism, the New and Expanded Towns Scheme, established to try to match the people in housing need with accommodation avail-

able in a place like Northampton. However, the Development Corporation has taken the initiative in making a more direct approach to the people it believes it can help. Earlier this year a series of exhibitions held in 12 London boroughs attracted around 1,500 visitors, of which 525 were classed as seriously interested in a move to the town provided they could first get a job. The exhibitions, staged in co-operation with the local housing departments, were held in aid centres and town halls.

Northampton has also had to respond to the Government policy of encouraging the new towns to attract many more "disadvantaged" families without jobs. The largest group tends to be retired people, but an increasing number of single-parent families and some unemployed and handicapped are also moving.

Of the 13,700 new houses built in Northampton since 1970, 8,000 have been undertaken by the Development Corporation. Around 60 per cent. of the families in the corporation's rented accommodation have resettled from London. There is close co-operation on housing between the Development Corporation and the Northampton Borough Council. Under the unique partnership arrangement, the local authority manages the Corporation's stock of housing. In the summer of 1976 when the Corporation had a surplus of accommodation it took families from the borough waiting list. This year for the first time

the Corporation, at the invitation of the local authority, will undertake a small housing project within the borough boundary. This marks a significant advance in co-operation because under the strict terms of the partnership arrangement, the Corporation has responsibility only for the area outside the borough boundary but within the designated expansion area.

Fuller

The development could herald a much fuller involvement of the corporation within the town. Certainly the local authority would not be adverse to the idea of making use of the Corporation as an additional source of finance.

The Conservative-controlled authority made it clear that it wants to slow down council house building and thereby cut spending by nearly half to £3m. Instead of building around 500 units a year the council will allow the total to drop to between 200 and 300.

Money saved on the house-building programme is to be used to provide funds for quickening private housing, mortgages, improvement grants, and support for housing associations. The Government has market is still on the move.

PROBLEMS WITH PROFITABILITY

Northampton based management consultant available for assignments long or short connected with profitability, cash flow, management information systems, budgets, costing, restructuring or general management.

Write Box T4681, Financial Times,
10, Cannon Street, EC4P 4BY.

28 years old and still going strong.



In 1950, we created the world's finest lager to commemorate Sir Winston Churchill's visit to Copenhagen.
Never have so many owed so much to one brew.
Probably the best lager in the world.

هكذا منة الأمل

Conflicts in regional policy

CONTROVERSY about Northampton's wider role within the Government's regional policy has been aroused again by comments in the latest report of the East Midlands Economic Planning Council.

The Council warned of the "very real risk of fierce competition" between Northampton and the nearby new towns of Milton Keynes and Peterborough for a limited supply of jobs, people and capital. "Such competition is undesirable and will be likely to lead to a waste of resources at a time of severe constraint in public expenditure," the report maintained.

The sentiments expressed have been repeated increasingly over the past decade as the reality has gradually dawned that neither population growth nor the economic expansion postulated in the early 1960s are likely to be achieved.

Northampton, somewhat to its horror, found itself dragged into the ambit of official regional policy with the publication, in 1964, of "The South East Study," a report commissioned by the Government. The document, anticipating a 3.5m. population growth in London and the south-east over the period 1961 to 1981, argued the case for counter-magnets to attract jobs and people away from the metropolis.

By 1968, Northampton, Milton Keynes just 15 miles away, and Peterborough 60 miles distant, had all been designated new towns with special responsibility for helping to deal with the south-east problem of overcrowding.

In addition, the county of Northamptonshire had obligations to London and Birmingham through three other expanding towns. Corby, 15 miles east of Northampton, was designated a new town in 1950 in order to reduce its dependence upon the steel industry as the single biggest employer. By 1962, Wellingborough was also looking to the capital after the local authority had signed an overspill agreement with the London County Council to provide housing. In 1964 Daventry struck an arrangement with Birmingham City Council to provide housing and employment for people relocating from the West Midlands.

With hindsight, the optimism about employment and population prospects indicated by various arrangements now seems incredible. The fact soon became apparent in the late 1960s that national economic growth was lagging well below the 4 per cent annual rate posited in 1964, and that jobs were simply not being created at the required rate.

Daventry was the first to feel the impact of reduced expectations and in March 1976, the Birmingham Council, concerned about the loss of jobs from the city, passed management of the overspill scheme back to the local authority. Birmingham made it clear that, while it was happy to export population to help solve its housing problems, it no longer wished to lose any industry which could be relocated in the West Midlands.

At around the same time, the Greater London Council asked to renegotiate its deal with

Wellingborough, and by April last year agreement had been reached to cut the town's target population for 1991 from 83,000 to 60,000.

The move against Wellingborough reflected concerns which applied equally to Northampton. The GLC had reached the position where it wanted to reverse the policy of exporting jobs and people. The fear was that the enterprising and skilled were migrating, leaving problems of unemployment and social imbalance.

Some statistical justification for such arguments was provided by the 1976 review of the South East Strategy, which found that population, rather than growing by 3m., was likely to remain static or decline slightly.

The implications that such trends might have for Northampton became a real issue in late 1976 when Mr. Peter Shore, the Environment Secretary, announced that he was to conduct a review of the policy of dispersal of population and employment from the inner city areas of the conurbations.

His action, which posed serious questions about the future of Northampton and its investment confidence, was a response to the fears of those

who argued that decentralisation had gone too far. Not only had there been a fall in the birth rate, but the planned efforts to disperse population had been accompanied by a much greater voluntary movement of people than anticipated.

Mr. Shore made it clear that it was the Government's intention to give higher priority and to direct scarce resources towards the inner city areas. In spite of this, when he announced the findings of his review of the new towns to the Commons last year, he gave the all-clear to Northampton, Peterborough and Milton Keynes to press ahead with expansion—but at a reduced pace. The population target for Peterborough was cut by 20,000 and for Northampton and Milton Keynes by 50,000.

As a gesture towards the higher priority of the inner city areas, Birmingham and London have been given precedence over the new and expanding towns in the award of industrial development certificates.

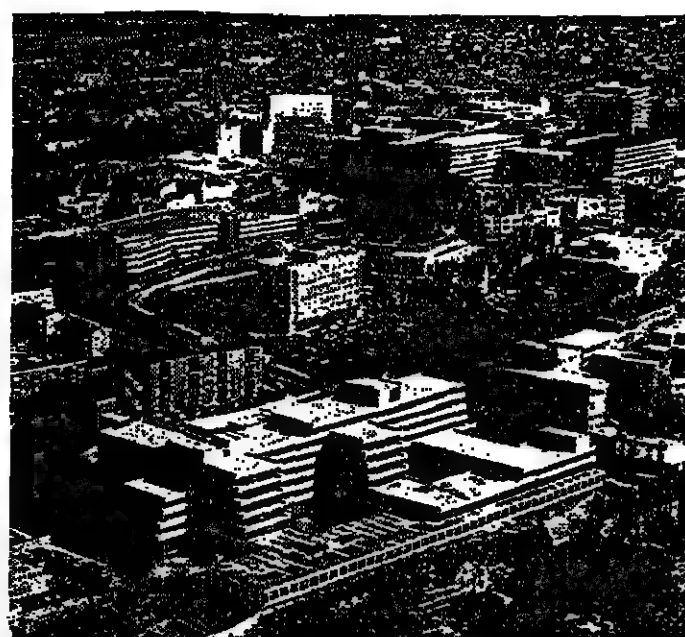
However, the Government is fully aware that its whole regional policy has been devalued by the number of special cases. In the pecking order for the limited amount of mobile industry, a whole range of assisted areas, graded

in order of priority from the special development areas through to the intermediate areas.

While Northampton, as a designated new town now comes near the bottom of the list of priorities, its advantages must make it a very attractive alternative to companies which might otherwise be persuaded to go to areas of high unemployment. Not only does Northampton offer excellent communications at the centre of the country, but Government money is being pumped in to provide a modern and efficient infrastructure of roads, industrial sites, and public sector housing.

Within the county itself Northampton is still competing with Wellingborough, Daventry and Corby for new employment and the latter two should certainly take precedence. The Northamptonshire Council has identified Corby, with an unemployment rate double the county average, at 8.7 per cent, as a town desperately in need of new industry. But, "part from merely drawing attention to Corby, there is little the planners can do to ensure development takes place there rather than at Northampton."

The East Midlands Economic Planning Council, after con-



Northampton town centre: a mixture of old and new.

sidering Mr. Shore's revised population targets for Northampton, Peterborough and Milton Keynes voiced concern that the three developments (each falls within the ambit of a different regional planning council) should be co-ordinated as closely as possible. The Council underlined the need for Northampton and Milton Keynes, in particular, to ensure that existing investment was fully utilised.

Doubts that even the revised population figures might be "optimistic" were expressed by the Council in its latest survey of the region. The argument was put forward that new jobs could not be expected to increase in the future at the rapid rate experienced between 1970 and 1975. However, the Council took a more sanguine view of Northampton's prospects, pointing out that encouraging industrial and commercial developments in the town suggested its new targets might not be "too wide of the mark."

One of the arguments which Northampton, in co-operation with Peterborough and Milton Keynes, has sought to rebut is that the new towns have taken large numbers of jobs from London. In a paper presented last year, the three towns maintained that their total employment growth since 1970 had amounted to 37,000 jobs, of which only 6,000 came from wider regional framework.

London. Over the same period, nearly 30,000 people have moved to the three towns to give a ratio of one job from London to every five people.

Looking to the future, the three see the greater part of their employment growth coming from the expansion of established firms and services, and from companies attracted from the south-east but outside London.

"In so far as firms do move from London, we expect them to be mainly in the office rather than the manufacturing sector. Furthermore, no matter how public policies may be changed over the next few years to try to hold firms in London and to attract others into the inner areas, it is inevitable that some will move out. We suggest it is far preferable that they be enabled to move to the new towns rather than to places in industrial and commercial areas where development pressures are already greater than the county planning authorities wish or are able to absorb."

Such arguments make it clear that Northampton, whether it likes it or not, has now clearly been sucked into the general debate about overall regional policies. To that extent, future growth and development will depend less upon local initiative and more upon the role allocated to the town within a wider regional framework.

Major office developments

NORTHAMPTON CURRENTLY has around 400,000 square feet of office accommodation standing vacant, but it does not face the chronic oversupply situation usually associated with Leicester, 30 miles to the north. Indeed, some agents suggest that shortages are beginning to emerge for medium-sized developments of between 10,000 and 30,000 square feet.

The present imbalance is due to two large office blocks which have hung on the market for more than 12 months now. Around 73,000 square feet of Belgrave House, which forms part of the Grosvenor shopping complex, still remains available. The other project is Greyfriars House, a 300,000 square foot office building above the town's new bus station. Failure to let the block, which was undertaken by the borough council, is costing householders the equivalent of 1p rate in lost revenue.

The Development Corporation, which acts as letting agent for the local council, maintains that serious discussions are being held with a number of potential clients. One reason for the delay is that a single tenant is sought for accommodation which would be ideal for any major corporation re-locating from London. The fully air-conditioned premises, on offer at £23.25 a square foot, have pedestrian access to the bus station, adjoining shopping complex, and market square.

The interest being shown in Northampton's two showpiece office developments is a reflection of the gradual increase in inquiries shown in recent months. The office market, usually the last property sector to respond to an upturn in economic activity, has begun to move again. Not before time, some developers would say. Northampton, since the heady days that preceded the collapse of the property boom in 1973, has seen office rents languish.

In addition to the collapse of the property boom, two other factors have encouraged a re-examination of longer term prospects. In 1974 the decision was taken to abandon plans for "the expressway," a new central area distributor road which would have provided access for the planned level of developments. On present high-way spending projections, the road network will only allow numbers employed in the town

centre to rise to 40,000 from the current 38,000. The other important change is the Government cut in Northampton's planned growth from a 230,000 population in 1981 to 180,000 in 1991.

The dramatic change in the situation has confronted the town with difficult decisions. It must now find alternative uses for land originally designated for office development, and accept the fact that the financial returns to be expected have been cut severely.

In the short term, the local authority can keep its options open and retain flexibility within its plans to allow for any unexpectedly high upturn in office development. Nobody believes that the boom conditions of the early 1970s will be repeated, and the warning has already been given that many other provincial towns have the sites and facilities to meet such a demand should it arise.

Developments embarked upon in the early 1970s, for which rentals of around £25.00 per square foot were anticipated, seldom reached such levels. Wilson and Partners, one of the leading local agents for office accommodation, have just claimed what they believe to be the highest rental yet achieved—£3.50 exclusive for a small suite of 4,000 square feet. Prior to that, the company says central area accommodation was going for between £3 and £3.35 a square foot.

The flatness of rents over the past five years is a considerable disappointment to those who had recommended Northampton as one of the most important office centres outside London. The development plan for the central area, drawn up in 1971, contained lavish provision for office accommodation—and the timing was right. Northampton, just 40 miles to the north of London, was able to take advantage of the property boom and attract companies seeking new accommodation.

The rush of development activity saw complete office space in the town rise by 1.2m. square feet from 1970, to take the total to around 2.25m. But for the last three years new projects have remained still-born and the town has begun a fundamental reassessment of future office plans.

In setting new guidelines for office development, the council is aware that it is swapping horses in midstream and there is no likelihood of ever realising the aspirations raised in its 1971 plan. The local authority has already reduced the office job content in some planning applications, but much more radical long-term action is required.

Existing empty office blocks have space for 3,000 workers while sites with planning consent, but as yet unbuilt, would provide a further 3,500 jobs. One fear is that other potential office sites, if proceeded with, could create another wave of perhaps 6,500 clerical jobs.

The significance of such growth can be appreciated when it is realised that the Northamptonshire County Council structure plan, which comes up for examination in July, estimates that offices might account for only 5,000 of the 15,650 increase in jobs required by the town in the period up to 1991.

There is also a potential conflict between the interests of the borough, which is responsible for central area projects and the Development Corporation which has ambitious plans for "campus sites" on its out-of-town industrial estates. Some 83 acres have been allocated at Moulton Park for low density office development in a fairly rural setting. The Anglia building society has already re-located its headquarters to the Development Corporation land, and the Midland Bank has just announced plans to build a residential staff training college able to accommodate up to 250 people.

Using the density of the Anglia development of 130 workers to the acre, the Moulton Park site could itself create around 10,800 white collar jobs—a matter which causes some concern to the local authority planners. However, the Development Corporation would counter that town centre offices must obviously take priority, but availability of campus accommodation might attract developments that would otherwise be lost to the area—the Midland Bank scheme is an obvious project not suited to a high density central site.

Emphasis

The emphasis which the original plan gave to office development raises the important question not only of whether such a concentration is practical but whether it is socially desirable. There must also be considerable doubt as to the capability of the town to provide clerical labour on the required scale.

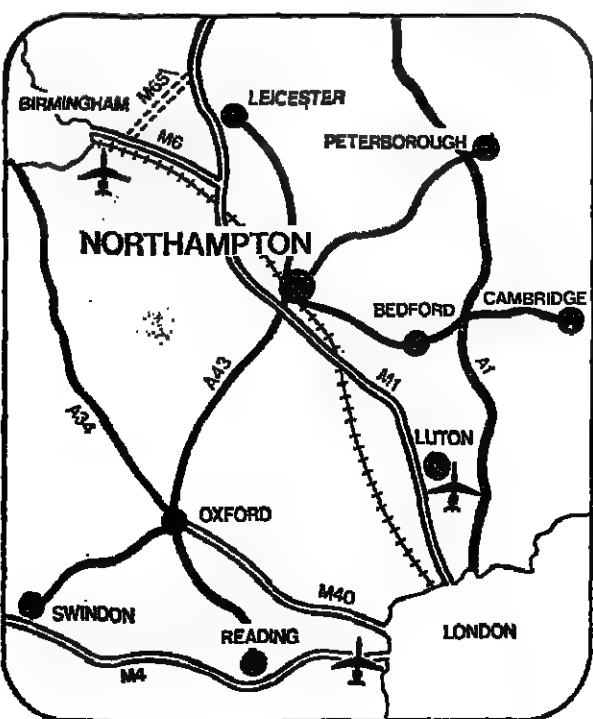
The response of the town council has been to allocate 250,000 to improve the worst areas of wasteland in the central area, while it considers alternative uses for the longer term office sites. There will obviously be an increased requirement for car parking as trade builds up. The potential activity saw complete office space in the town rise by 1.2m. square feet from 1970, to take the total to around 2.25m. But for the last three years new projects have remained still-born and the town has begun a fundamental reassessment of future office plans.

The biggest lift for the Northampton office market would be to clinch a deal on Greyfriars House. A letting on that, or Belgrave House, would take a large part of the surplus capacity of the market in one swoop. The next major block the 1971 plan. The local authority has already reduced the office job content in some planning applications, but much more radical long-term action is required.

Some agents argue that a gap is already appearing in the 10,000 to 30,000 square feet range and that new development could now prove marginally profitable, even at building costs of between £20 and £25 a square foot. There is thought to be a demand for such medium-sized property, provided it has good parking facilities and is sufficiently self-contained to offer the tenant the opportunity to develop a corporate identity.

The first sign of any new start on office development would really set the seal on the revival in confidence albeit tentative, which agents are currently reporting.

Economic, Flexible and Efficient New Offices 20-56,000 sq. ft. To Be Let.



A flexible, efficient and truly economic development is offered—purpose built to tenants' requirements.

A new development in Cliftonville Road, combining ease of access and an abundance of car parking within a spacious landscaped working environment.

Centrally sited—midway between the town centre and its motorway link—in an expanding business area: close to Roadway Glass New Headquarters and Northampton Development Corporation.

By-Pass town centre congestion (and cost!)—and move direct to Cliftonville Road: an ideal office location.

- Spacious landscaped location
- Direct link to Ring Road
- Easy access to M1 M45 M6
- Good Road connections to Birmingham and Luton airports
- London 1 Hour Road or Rail
- Excellent Staff Availability
- Abundant Housing Opportunities
- Parking for 140 cars

Joint Sole Agents

JONES LANG WOOTTON
Chartered Surveyors
103 Mount Street, London W1Y 6AS.
Tel: 01-483 6040

Wilson & Partners
58-60 St. Giles Street,
Northampton, NN1 1JW
Telephone: 0604 22817

A Development by

interland
Interland Estates Limited

BELGRAVE HOUSE, NORTHAMPTON
73,000 sq. ft. of air-conditioned offices immediately available in superb from 10,000 sq. ft. Excellent central location with 700 car parking spaces.

ANGLIA HOUSE, NORTHAMPTON
The former Anglia Building Society head office. 27,470 sq. ft. of fully fitted offices with the benefit of a private car park, central heating and full light fittings throughout. 2 lifts, conference room and canteen. Immediately available.

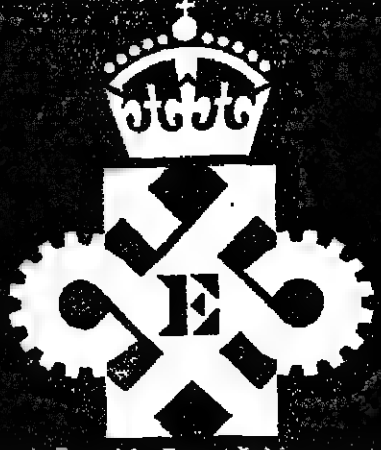
ST. JAMES MILL ROAD, NORTHAMPTON
A new warehouse/industrial development of 41,135 sq. ft. available in August 1978 and divisible into units from 4,800 sq. ft.

We are currently instructed on 50 shop premises, 36 office properties totalling 416,000 sq. ft. 118 industrial units totalling 107,500 sq. ft. with over 550,000 sq. ft. to be built, all in the East Midlands.

Wilson & Partners
5, Spencer Parade,
Northampton NN1 2AS
Telephone: (0604) 22817

A Development by
Wilson (Connolly) Properties Ltd.
WESTGATE, Industrial Estate NORTHAMPTON
Phase III **92,400 sq. ft.**
UNDER CONSTRUCTION
* High Quality Offices
* Headroom 20'
* Excellent loading Facilities
TO LET
Wilson & Partners Chamberlain & Willows
0604 22817 01 882 4633

British Timken



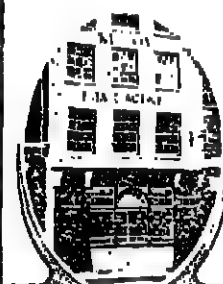
Queen's Award for Export Achievement 1977

More than 4'000 people in Northampton and Daventry producing bearings for the United Kingdom and exporting to the world.

TIMKEN

TAPERED ROLLER BEARINGS

Timken bearings sold around the world. Manufacturing in Australia, Brazil, Canada, England, France, South Africa and the U.S.A. BT (P) 64



FOR ADVICE ON ALL PROPERTY MATTERS

19 Market Square
Northampton NN1 2DL
Telephone: 0604-22811

KILROY

ESTATE AGENTS
VALUERS
SURVEYORS

Branches at Bedford, Kempston, Aspley Guise, St. Neots

Saxon Inn

SILVER STREET, NORTHAMPTON

140 Bedrooms all with private bathroom, colour television, radio and telephone.

Sedate Room Restaurant open for luncheons and dinners

Sportswomen Bar, Little Mermaid Coffee Shop, Banqueting and Conference facilities for up to 400

Wedding Receptions and Private Parties. All enquiries welcome.

Saturday Evening Dinner and Dance open to non-residents

for reservations, please telephone

NORTHAMPTON 22441

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SERVICE

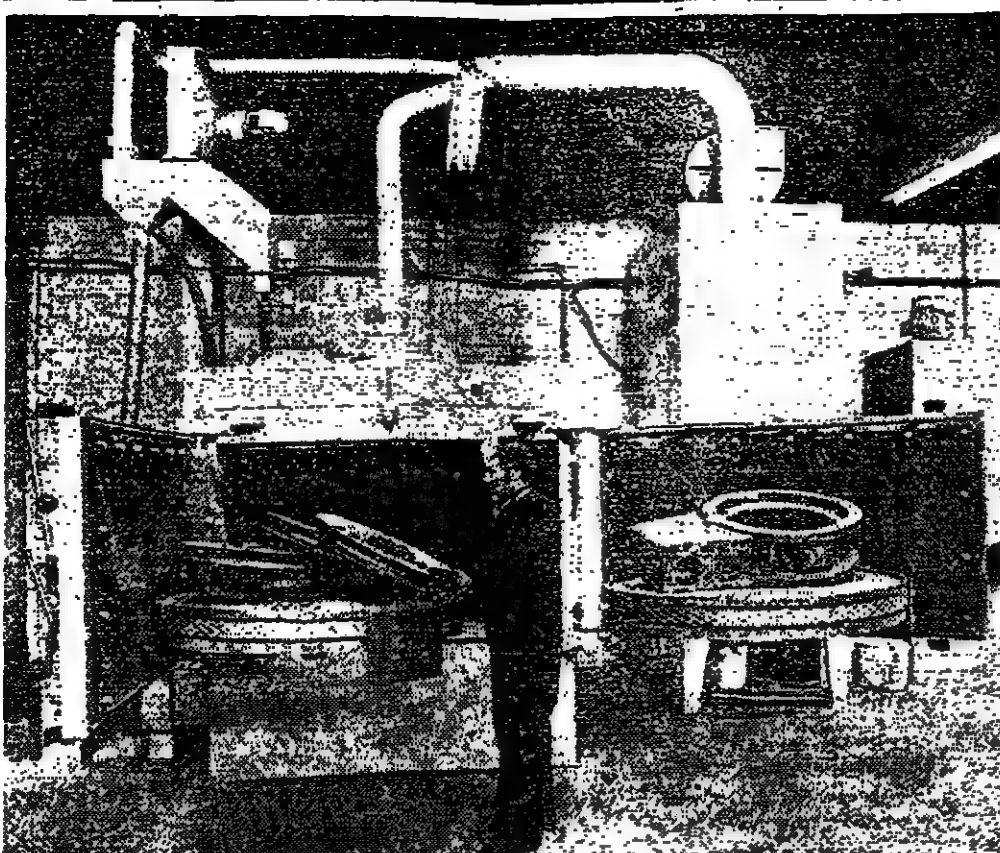
Aid to the roofer

USING THE Hewlett Packard 97 Gang-Nail fabricators, says the programmable calculator. Automated Building Components (ABC) has developed a calculator programme, called the Autocut, to provide a faster and more accurate way of estimating cutting details when designing timber roof trusses. The programme covers all the basic truss types and is recorded on individual magnetic cards filed in a plastic folder. They are available to licensed 990

PROCESSING

Shredder reclaims waste

FACTORIES and reclamation companies concerned with the processing of waste plastic shrouded composition, easy to transport and ideal for reprocessing. Two of the larger machines in the range are fitted with pinch rollers enabling bulkier materials to be squeezed directly into the high carbon steel cutter head. The standard machine, Wilki 31K VI, has a 9-foot in-feed conveyor and a take-off conveyor of 3 feet which can be replaced with a take-off hopper for air-conveyed extraction applications.



Shown here is the first model to be installed in the U.K. of the Abrag 62 rotary table shot blast machine made by Sisson-Lehmann of France. It is set up at the Hamilton works of George Taylor and Co. and was provided through the exclusive U.K. agents P & S Shot Blast and Finishing Equipment of Park Royal, London. In this new equipment components are placed on a rotating table and cleaned by

RESEARCH

Tapping an optic fibre

A POTENTIALLY significant research project is under way at University College, London, in which signals are being injected into pulsed optical fibres without breaking or physically interfering with them in any way. The pneumatic pressure system, which is electronically controlled, can apply a maximum force of 27N (2.8 tons) to the mounting cylinder, provided by feed from a normal laboratory air line at 5.5 bar (80 lbf/in²). No attention of any kind is needed during the mounting cycle. More on 073784 2461.

construction and can simply be clipped on where needed. No insertion loss is produced in the fibre.

The work, which is supported by the Science Research Council and the Ministry of Defence, has reached the point where a colour television channel and a separate audio channel have been successfully injected into a fibre and retrieved at the far end.

The technique works only in one direction—there is no question of the signals being extracted from fibre in this way. More from Professor D. E. N. Davies, Department of Electrical and Electronic Engineering, University College, London WC1E 7JE (01-387 7060).

METALWORKING

Fluidised bed idea licensed to U.S.

AN EXCLUSIVE licence is about to be signed between Proceyde, which has been building and selling electrically heated fluidised bed heat treatment furnaces in the U.K. for some 15 years, and Apollo Heat of the U.K. under which the latter's gas-heated fluidised bed technology, demonstrated in some nine plants to date, is to be exploited.

The company recently took part in a demonstration of its equipment comprising two plants in an automated line at the new premises set up by OTB Fluid Heat Treatment (Minium Tool), capable of carrying out treatments in the range 300 to 1050deg.C. with throughputs of 500/600 kg per hour. There is a cold-charge fluidised bed and ancillaries such as tempering furnaces, quench tanks and washing equipment. Though the principle of fluidising is not new and the application of a fluidised bed with its rapid and even heating of materials placed in it to metal component treatment has been known for some time, Apollo has a number of significant world patents on its own method of achieving close control of bed temperatures. Apart from ensuring that the incoming gases are evenly and finely distributed, the techniques

EXHIBITIONS

Discussion on electric vehicles

FOLLOWING A successful seminar earlier this year, the Electric Vehicle Association of Great Britain is planning to hold ten more during 1978 at provincial centres.

The association, in co-operation with the Electricity Council and the Area Electricity Boards, will present a second seminar on May 18 as a feature of the Materials Handling and Factory Equipment Exhibition, Belle Vue, Manchester (May 15-19).

Subjects include: the source of vehicle power, batteries, their use, care and development; the application and maintenance of electric control equipment; the electric road vehicle to-day and to-morrow; and the electric fork truck in warehousing, in production and in service industries.

Full details from E.V.A. Headquarters, 30 Millbank, London SW1P 4RD, or from the Institute of Material Handling's stand at the exhibition.

SECURITY

Swallows secrets

RISK OF information leakage, from disordered documents, is eliminated if a high capacity shredder purpose-designed for devouring bulk computer print-out is used, says Orefex, introducing its Computershed 1600.

The machine has a 16 inches wide throat and will accept large size computer printouts without having to fold or feed through a special funnel. It is capable of taking 30 sheets of 8 1/2 inch wide printout and 35 sheets of large size, 14 1/2 inch wide printout at one pass, and copes with 110 feet per minute, ensuring rapid destruction of long computer runs with printout being shredded into 1 inch wide strips. Further from Orefex House, Stephen Street, London W1A 1EA (01-636 3885).

INSTRUMENTS

Digits show cable fault

An intrinsic difficulty with many of the cable fault locators on the market that make use of pulse reflection techniques is that the oscilloscope traces they produce require a certain amount of interpretation and skill in accurately determining the distance to the fault.

Coscar Electronics, which developed one of the first transistorised equipments in the 1960's under a Royal Navy contract, has refined the technique by removing the oscilloscope display altogether.

Instead, the instrument has a digital display which ensures an accuracy of one per cent, compared with five to five per cent, previously. It can be set to make measurements on any cable type by simple selection on a thumb-wheel switch.

The increased accuracy of the instrument can save time and money, because ever-increasing labour and materials costs make errors of a few feet expensive when locating buried cable faults.

Weighing less than 10 kg, the unit will operate from the mains, internal rechargeable battery or from an external DC supply. More from the company at The Furnaces, Harlow, Essex CM19 5SS (0279 25892).

DATA PROCESSING

Improves IBM 34 storage

AN ALMOST five-fold increase in maximum disc capacity and a diskette magazine facility for the System/34 computer have been announced by the General Systems Division of IBM United Kingdom. This means the computers can have either 63.9 or 125.4 Megabytes of storage, compared with the previous maximum of 27.1 Megabytes. The new diskette magazine drive is supported as a sequential save/restore device. Both are offered with all System/34 main storage configurations. Average access time for each spindle, based on all possible disc accesses, is 27 milliseconds, or 13 milliseconds faster than previously announced 273b models. The maximum data transfer rate on the new model is 1.031 million bytes per second, compared with 889,000 previously.

The new diskette facility has five slots, two of which hold magazines and three accommodate individual diskettes. Magazines are containers that can hold up to ten diskettes. Typically, processing begins with the first diskette in magazine No. 1 and can automatically proceed, diskette by diskette, through each magazine. This provides up to 24 Megabytes of on-line data. Apart from affording a very flexible on-line storage facility it also allows a 125 kilobyte transfer rate load dump device which for example, can back up an entire 27 Megabyte system in 15 minutes.

More from IBM on 01-636 8600.

Motorola on micros

AT A forthcoming conference in London on microprocessors to be organised by Motorola the company is expected to make announcements about several new devices.

Probably the most important will be the 6801, a single chip device with 2K bytes of read-only memory. Instruction set will be compatible with the present 6800, but there will be more instructions and they will be carried out more quickly—a 25 per cent saving in execution time is expected.

Other devices likely to be unveiled are a true 16-bit processor at present rather mysteriously referred to as "Max" and also the 6805, which is another single chip system which, although it will have a smaller instruction set than the 6800, is expected to be "very cheap."

The seminar, to be called Microforum, will take place at the Institution of Electrical Engineers on June 19 and will include a presentation by Colin Crook, an Englishman who is now Director of Operations for micros at Motorola in the U.S.

Two tape drives

LATEST introductions of port up to eight of the nine magnetic tape systems from Data General operate at 800 bytes/inch (model 6027) or 800 and 1600 bpi (model 6028).

Both models employ vacuum column design and process the tape at 75 inches/sec; transfer rates are 120K bytes/sec at 1600 bpi and 60K bytes/sec at 800 bpi.

The controller, which is microprocessor-based, can support up to eight of the nine magnetic tape systems, and either of the two types can be added and freely intermixed.

More on 01-373 9231.

MACHINE TOOLS

Sharpening hand tools

AN IMPROVED VERSION of their grinder/polisher—the grinder is intended for sharpening and dressing a wide range of hand tools whilst buffing and finishing of many items is undertaken on the polishing machine—comes from Denford Machine Tools, Birds Royd, Brighouse, Yorks HD6 1NB (0484 712864).

Safety features of the new machine include adjustable ton rest, enclosed guards, no-volt overload fail safe release switch, push button control, and micro switches fitted to inspection doors. Provision is made for fitting a Denford Exodux 30 dust extractor and extras are single or dual foot control power stops, armoured eyesheds and lo-volt light units.

Pedestal and cabinet models, fitted with either 3 or 10 inch diameter wheels, are available. Operating at 2,800 rpm, the machine is powered by a 0.6KW, three or single motor, and housed in either a pedestal or cabinet.

Pan Am gives you three 747s a day to the West Coast.

London to	Depart	Arrive	Flight No.	Aircraft	Frequency
Los Angeles*	1400	1705	PA121	747	Daily
San Francisco	1315	1615	PA125*	747	Daily
Seattle	1040	1220	PA123	747	Daily
Portland	1040	1455	PA123	747	Daily

* On a Pan Am 747

We've got it covered.

If you're travelling to the West Coast of America, let Pan Am's people take you there.

We'll organise your visa in London. Book you on whichever flight suits you best. And give you a really comfortable ride all the way.

On a Pan Am 747.

You'll have a choice of two movies, current or pre-release. Eight stereo channels. (A nominal charge has to be made for these to comply with international regulations.)

A choice of main courses in Economy. And an exclusive dining room upstairs for First Class passengers.

If you're thinking of heading West, Pan Am's people are the only ones to offer you three flights by 747 a day. And the only ones to take you to four West Coast destinations.

So give your Travel Agent a ring. And ask him to book you on the world's most experienced airline.

PAN AM

Pan Am's People. Their experience makes the difference.

هكذا منة الرحيل

The Management Page

EDITED BY CHRISTOPHER LORENZ



Professor Edward Stamp

THE United Nations Commission on Transnational Corporations is meeting next week to consider the report from the UN Group of Experts on "International standards of accounting and reporting for transnational corporations."

The group of experts' proposals have already aroused considerable controversy, and executives of many transnational corporations have expressed opposition to them. The International Chamber of Commerce and the International Organisation of Employers are apparently preparing to resist the UN proposals, and many of the objections to the UN Report were brought into focus by Sir Henry Benson in an article he wrote for the Financial Times on March 22.

Doctrinaire

Sir Henry argued that the UN proposals go too far, that they are doctrinaire and take no account of realities, that they are likely to be used as a political weapon by Communist republics, that the costs are likely to exceed the benefits, and that the requirements for non-financial disclosure are especially formidable. Sir Henry thinks the scale and scope of the disclosure requirements are over-ambitious and are likely to be discriminatory, and he questions whether the UN ought to be involved in accounting developments. He suggests that on the contrary it would be better to leave it to the International Accounting Standards Committee to reach agreement on measurement standards before developing extensive new disclosure requirements.

Sir Henry Benson's views deserve the most serious consideration. I know of no one who has made a more important contribution to the development of international accounting standards than he. In fact it was under his formidable leadership that the International Accounting Standards Committee was

Accounting is often referred to as the international business language, writes MICHAEL LAFFERTY. Yet there is no international rule book and in many cases not even national yardsticks exist to guide companies or users of transnational accounting information.

The United Nations Commission on Transnational Corporations came up against this problem when it tried to study the activities of multinational companies a few years ago. So it appointed a group of international experts to look into the matter. The experts reported at the end of last year, proposing that the United Nations

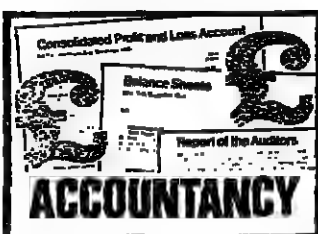
should issue a set of minimum disclosure guidelines for multinationals.

Next week the UN Commission on Transnational Corporations meets in Vienna to discuss, and possibly adopt, the experts' report. It will also have before it a lengthy submission from the International Chamber of Commerce, co-ordinating the multinational companies' views, which opposes the experts' proposals.

In this article Professor Edward Stamp argues that multinational companies are misguided in their opposition to the UN proposals. In particular he takes issue with the views of Sir Henry Benson.

Why opposition to the UN's disclosure plans is misguided

BY EDWARD STAMP



ACCOUNTANCY

formed and got off to such a successful start.

But I believe that Sir Henry's concern is misplaced. The UN proposals are by no means as radical as he fears, and it is notable that his successor as chairman of the IASC (Joseph P. Cummings of New York) was a vice-chairman of the group of experts that produced the UN proposals.

It is of course perfectly reasonable to argue that radical proposals carry with them the danger of creating too much resistance, so that desirable progress will be slowed down.

However, as I shall explain shortly, I do not believe that the UN proposals are radical. Moreover, multinational corporations in the rich developed countries must consider the potentially damaging effect of their opposition on the attitudes of moderate leaders in Third World countries. The UN proposals were drawn up by a group that included men like Mr. Cummings (chairman of the IASC, and deputy senior partner of Peat, Marwick, Mitchell in the U.S.), Mr. Gyllenhammar (president of Volvo), Herr Havermann (a leading German accountant), and Mr. Pieter Louwers (chief internal auditor of the Philips Group in the Netherlands).

Third World leaders like President Nyerere of Tanzania (a man with immense influence in the Commonwealth as well as in the underdeveloped world), are not likely to be impressed if proposals emanating from such a distinguished group of experts are dismissed by multinationals as "doctrinaire," or in Sir Henry Benson's words, "vague, useless, Standards Committee was

Sir Henry reserves his last phrase for the UN proposals on non-financial disclosure. Yet these are modest, and tentative, and in fact fall far short of recent British proposals, let alone current practices in the U.S.

Thus, The Corporate Report, issued nearly three years ago by the Accounting Standards Committee and largely endorsed by the Department of Trade, contains four pages of suggested contents of an employment report that are considerably in advance of the UN proposals. And The Corporate Report proposals are certainly practical: they were drawn up by the finance directors of two very large British manufacturing corporations.

Similarly, if one looks at the remaining UN recommendations in the areas of non-financial disclosure, they consist of modest proposals for information regarding production, investment programmes, organisational structure, and environmental measures. It will be easy for multinationals to provide this information, and none of it is likely to be damaging. For example, the UN proposal for the disclosure of information on environmental measures is only one sentence long: "Description of types of major or special environmental measures carried out, together with cost data, where available."

Compare this with the enormous amount of information that is now being disclosed by major American corporations. A recent survey of the 1976 annual reports of the 500 biggest U.S. corporations showed that a substantial number include "social responsibility disclosures." This information deals with such matters as pollution control; protection and conservation of the environment; energy conservation; fair business practices; employment of minorities, women and other special interest groups; employee health, safety and training; community involvement; product safety, etc., etc.

In view of all of this it is difficult to argue that similar information cannot or should not be given about multinational operations in Third World countries. The fear that the information so disclosed might be used to political advantage against the multinationals really does not stand up to close examination. It seems to me highly improbable that there is anyone in the Third World who could deploy such information any more effectively than, say, Anthony Wedgwood Benn or Ralph Nader.

Moreover, multinationals which have established themselves in Left-wing underdeveloped countries did so with their eyes wide open. The governments of such countries are quite capable of demanding whatever information they wish without any help from the United Nations. And if they need accounting expertise in developing their shopping lists of information requirements there are plenty of public accountants available who would be willing to sell it to them.

One wonders, in fact, how serious this problem really is, in practical terms. It would be a sorry reflection on the management of multinationals if these modest UN proposals really do represent a threat to their operations in underdeveloped countries.

One element in the resistance to the UN proposals is undoubtedly the instinctive tendency towards secretiveness in the British establishment.

The thalidomide affair, the Crossman diaries, D. Notices, and Colonel B. are all examples of the sort of thing I mean. Businessmen have much the same sort of tendencies as Whitehall mandarins, and in the field of accounting disclosures this leaves considerable scope for improvement.

Indeed, one can argue that without some kind of government intervention many of the disclosures now being made by British companies would still be waiting to be introduced. Thus the 1967 Companies Act required the disclosure of sales turnover. Until that time many companies did not provide this figure. Since 1967 disclosure of sales turnover has become virtually universal, because it is mandatory. There is no doubt that the provision of this information is useful, yet it is unlikely that it would be generally available without this mandatory requirement.

Indeed, one still looks in vain at most British company reports for information about the company's cost of sales and gross profit margin. This information is generally not given, and the reason is very simple: it is not mandatory to give it. By contrast, in the U.S. and Canada where the provision of such information is required one finds that virtually all companies produce it, to the considerable advantage of readers of company reports in those two countries.

One result of this is that British companies like ICI that are required to file reports with the SEC in the U.S. disclose their cost of sales and gross margin figures in the American reports, even though they do not yet give this information to readers of their British reports.

It is noteworthy that neither the Accounting Standards Committee nor the Stock Exchange has done anything to improve this situation, and auditor pressure (if it exists) has been equally ineffective.

It is very easy to dismiss calls for stricter disclosure requirements by arguing that the costs will be heavy and the benefits small. Yet if one reads through the UN proposals it is difficult to believe that any multinational company, aided by its computers and its excellent financial control system, would



Sir Henry Benson

have any real difficulty in meeting the UN requirements. It is much more difficult to place a value on the benefits, just as it is difficult to measure the benefits obtained from such things as police forces, libraries, and gardens. Or, indeed, the benefits from the disclosure by British companies of their sales turnover, and by American companies of much additional information besides. There is no way in which costs and benefits can be numerically matched in such areas of decision making, but to suggest that any changes should wait until such measurements do become available would be to put off reform until the Greek Kalends.

The intervention of the United Nations in these matters has been questioned, along with the suggestion that a proliferation of proposals for reform is merely confusing. Yet it seems to me that if the OECD and the EEC are entitled to produce proposals or to introduce requirements then the UN also has a perfect right to take some action. In fact it could be argued that the UN is the natural co-ordinating body, since its constituency is worldwide, whereas that of the EEC covers only rich countries in continental Europe.

Inadequate

In my view the OECD proposals are inadequate, and those from the EEC are taking an unconscionably long time to come to fruition. By contrast the UN has provided us with much food for thought and it has done so with an admirable sense of urgency. I agree with Sir Henry Benson that the IASC has a crucial role to play in future developments. So also does the United Nations, as its Secretary-General has recognised. They should try to work together in a fruitful partnership.

Britain has a part to play in all this, as a founder member of both the UN and the IASC. There are many people all over the Third World who look to Britain for inspiration and leadership. I hope that in this new debate initiated by the United Nations British accountants will not be seen to let them down.

Edward Stamp FCA (Canada) is J. Arthur Rank Research Professor and Director of the International Centre for Research in Accounting at the University of Lancaster. Previously he was Professor of Accounting at Edinburgh University, and has also been a partner in one of North America's largest accounting firms.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Insurance Commission

On retirement I kept one insurance agency which has since been used only for my own car and house policies. In each case the premiums are paid net of commission, a total saving of just over £50 a year, and the Tax Inspector insists on raising an assessment on this sum. Is this right?

Your tax inspector has apparently overlooked (or misread) the judgments in *Way v. Underdown* (H.M. Inspector of Taxes) (No. 2) (48TC238). In the light of that case, and after discussion with the Inland Revenue, the Consultative Committee of Accountancy Bodies issued a note on the tax position of agents and policyholders in April of last year. You should still be able to obtain a copy by sending a stamped addressed envelope to the Publications Department, P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London, EC2P 2BQ, and for leaflet T124 (Tax Liability on Insurance Commissions).

Your situation seems to fall squarely within the exceptions, and you should have little difficulty in getting the £50 assessment cancelled, when the inspector realises his oversight. Meanwhile, you may find reassurance in these extracts from the CCAB leaflet:

"1. Commissions received by an agent on his own insurance. An individual... taxpayer who is entitled, as agent of an insurance company, to commissions on premiums on policies effected on his own account is not liable to tax on them as income in his hands....

"2. Commissions received by a policyholder instead of an agent. If a policyholder who is not the insurance company's agent in relation to the policy pays directly

to the company a net premium (after deducting the commission) in respect of the insurance, the agent is not liable to tax on the commission which he has not received....

Change of revenue practice

Each year for taxation purposes the computation of rents and expenses of flats 1 let have shown a deduction of 10 per cent. wear and tear allowance calculated on the gross rental income. This year, the first time for over 20 years, the tax inspector has disallowed it, and wrote "I would advise you that the 10 per cent. wear and tear allowance should be calculated on 10 per cent. of the net rent, not the gross." Has some new law been passed on this matter?

There is no specific legislation on this point, and it is hard to foresee what attitude the Courts might take if a case went to appeal. However, although the current policy of the Board of Inland Revenue is to restrict the nominal wear-and-tear allowance to 10 per cent. of the net rent (exclusive of rates), we know that this new policy has been modified to allow existing agreed bases of computation to continue in appropriate cases. You should at once point out (tacitly) to the inspector that it is not the Board's intention that longstanding agreements between Revenue and taxpayer be unilaterally repudiated, and that yours is a case where the established basis of computation should continue undisturbed.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Wednesday, May 10th, 1978, their Base Rate for lending will be increased from 7½ per cent. to 9 per cent. per annum. Interest payable under the Bank's Demand Deposit Schemes on sums of £500 up to £100,000 will be at the rate of 8½ per cent. per annum. Interest rates for larger accounts will be quoted on application.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011



Leave us to answer it

- rent an Agovox CS80 telephone answering machine
- the smallest & latest model from the Zeiss Group of West Germany



- 1-year rental at competitive rates
- available immediately

RING 01-778 7255 anytime!
Agovox Answering, 4 Sydenham Road, London SE26 5QY

Roast Beef of Old England

For centuries, the City has been graced with the aroma of the finest cooked meats in all England. The Carvery in the Tower Hotel maintains the tradition and presents you with a succulent selection of joints of roast beef, lamb and pork, cooked to perfection.



help yourself to an abundance of vegetables and fresh salads. There's good old fashioned value in the fixed price, which includes a complete 3 course meal and coffee. The Carvery, The Tower Hotel, St Katharine's Way, London E1 9LD.

SOME PLAIN SPEAKING BY A NEW SMALL COMPUTER

If you've got someone who can type and understand plain English, then you can computerise your business.

The BC/7 is a neat and very powerful small business computer system by Sperry Univac. Another good thing about it is that it doesn't need a computer expert to run it. Step by step, the Sperry Univac BC/7 can tell you in plain English exactly what to do to get the information you're after. Anything to do with your inventory, accounting, manufacturing, distributing, marketing...you name it,

you've got it in seconds instead of hours or days.

The Sperry Univac BC/7 doesn't need a special room. Or even special care. What it gets are more people supporting each new installation than from probably any other company. And if your BC/7 should ever need special attention, it gets it from us, fast.

Nowadays, the advantages of using a computer shouldn't need spelling out. When you invest in a BC/7, you can either buy it outright or lease it. Either way you only pay for the

size of system you really need. Because as you grow, so your BC/7 can grow.

From their early pioneering days, when they developed the world's first commercial computer, Sperry Univac have become one of the largest commercial computer manufacturers. Only a company with their resources could have developed, and back up, something as advanced as the BC/7 system.

Fill in the coupon and we'll tell you all about it. Or call this number: 01-965 0511 ext. 3359 or 01-961 2982.

I AM THE BC/7. PLEASE SELECT THE INFORMATION YOU WANT FROM THE FOLLOWING LIST:

1. STOCK CONTROL
2. ORDER PROCESSING
3. INVOICING/SALES ACCOUNTING
4. PURCHASE/GENERAL ACCOUNTING
5. PAYROLL
6. MANAGEMENT INFORMATION
7. MANUFACTURING-BILLS OF MATERIAL

ENTER SELECTION NUMBER

SPERRY UNIVAC BC/7

The small computer that makes small businesses bigger.

Think big. Fill this in now.

Please send me more details on the BC/7 ☐ Please arrange a demonstration ☐ (Tick box)

Name _____
Company _____ Tel. No. _____
Address _____
Position _____ FT 4

Post to: Eric Springate, Business Systems Marketing, Sperry Univac Centre, London NW10 8LS. Telephone: 01-965 0511 extension 3359 or 01-961 2982.

SPERRY UNIVAC
COMPUTER SYSTEMS
SPERRY UNIVAC IS A DIVISION OF SPERRY RAND LIMITED

Financial Times Wednesday May 10 1978

Television

Where the best films are

by CHRIS DUNKLEY

The opening seminar of the Brighton Festival last week was organised by Humphrey Burton and called "The Arts Into The Eighties". It brought together aspiring young film makers (cinema people) and well established television people, and a discussion occurred of a sort that has become quite familiar in recent years.

The film people complain that the British film industry has been brought to its knees and reduced to a shadow by a combination of unprincipled distributors, ignorant and mean Governments, and the leech tactics used by television in buying up old movies cheaply and showing them free to huge audiences. They claim that Britain could have a thriving film industry again if only more Government aid was forthcoming, if only the distribution system were changed and if only television would stop its beastly underhand tricks.

To prove the feasibility of a successful modern film industry they point to examples in other countries: Italy and France used to be favourites but now the fashionable example is Australia. Television people respond to this in various ways. Many feel sympathy since they have a deep fondness for the cinema with which they grew up before the age of television. A few brave souls remark sharply that if old movies could make money in the cinemas then they would be shown there instead of being sold off to television; adding that the world does not owe the young film lions an industry of their own and that if they want one they will have to create the demand by exercising and proving their own abilities.

But the most telling response is that of Gus Macdonald of Granada Television: "The British film industry is alive and well and it's called television." There are several truths in this—not least the confirmation that television has, indeed, had a lot to do with the reduction of cinema audiences.

It also points to the fact that

while gifted film makers in France, Italy and Australia may have had no choice but to go into cinema because television offered no significant alternative (television in those countries lacking some of the freedom traditionally claimed by British television, perhaps, and for this and other reasons being partly mediocre) in Britain such people have tended in the last 20 years to go into television: actors, writers, directors, and technicians.

Clearly commonplace cinema (not *Star Wars*, not *At The World's End*) will have a tough time so long as a nation's television service provides very high quality entertainment at home, as British television often does. Any intelligent French, Italian or Australian viewer offered, for example, the choice of drama that has been available on television in this country in the last couple of weeks would no doubt go green with envy.

Taking the best first, last Wednesday's "Play Of The Week" on BBC2, *When The Actors Come*, turned out to be a magnificent piece of work written and directed by Don Taylor. I say "turned out to be" because the billing was less than enticing.

"On a cold day in January 1850, a group of travelling actors arrive out of the snow, at the remote country estate of Count Horvath in eastern Hungary. It sounded like an area we had visited before, not infrequently with the Hungarians themselves whose film industry was always rather keen on groups of people wandering around in snowy landscapes bumping into fun-slut aristocrats.

To be sure Taylor's play was concerned with the same themes of social justice, revenge, class animosity, and the terrible legacies of war which have concerned many Hungarian film makers. But Taylor's was very much a television play, and a most superior one in both content and structure.

It is worth emphasising the

jealous thoughts about his wife and Mark, does start an affair with Mark, employing exactly the terms used in the game.

"Let's play our game."

"OK."

"What's it called?"

"Lover."

"I want to go deeper."

But a contrived twist could be forgiven; even admired in such an amusing play.

ITV is currently running another set of single plays from Thames Television under the title "ITV Playhouse". (In most countries you would be lucky to find one single original TV play during the week—never mind three or four continuing collections of single plays running simultaneously.) Last week's *One Of The Boys* by Anita Bronson, began by annoying me because it seemed to be a play about a woman of such taste, intelligence, ability, and virtues as the divorcee, Maggie, would ever take up in the first place with such an unredemptive slob as Ted. Yet in the end the play impressed, mainly through the acting, particularly from Diane Fletcher as Maggie.

So far "ITV Playhouse" has been an odd mix of series, with yesterday's play, *Two Days That Shook The World*, added to all. With such variations in quality I doubt if the umbrella title alone is enough to keep anyone at home on Tuesday nights.

The *Devil's Crown* on BBC2, however, is beginning to exert that same repetitive attraction which previous meaty history series have built up. This one, produced by Richard Beynon, came more to a French series called *Les Rois Maudits*—shown here in 1974—than to Elizabeth R or Henry VII, and something to *Chaucer's People*, perhaps, in the way that it is made entirely in studio.

David Myerscough-Jones's design is reminiscent (again) of the elaborate illumination and colour detail of a medieval book of hours, and there are times when there is simply too much design for a small screen. Yet slowly it is revealed to be a very special charm. Jane Lapotaire is both subtle and sensual as Eleanor, and although Brian Cox looks and sounds unconvincingly like a young Albert Finney in the current main role, he does put over the "hunting and whoring" side of Henry. It's a character with splendid vigour.

However, series such as this only start to contribute seriously to television's threat to the cinema when the viewer becomes heavily involved with the personalities, and in this series it has been the character of Becket who has done most to secure that with a portrait of Becket that makes the man unusually vulnerable.

Since it involves royalty, religion, politics, money and, according to modern versions, even sex, the Henry/Becket story has almost endless potential and sure enough writer Ken Taylor and director Alan Cooke have made it fresh again. I shall certainly be watching Episode 3.

Once upon a time the Cookes, the Taylors, the Shepherds and so on would have been working in cinema and we should all have gone out to see their films. Now they work in television and we can all stay in and see them. However, that should not worry us much more than it worries Luis Bunuel or Stephen Spielberg.

Sadler's Wells

Rashomon

by CLEMENT CRISP

Lynn Seymour has revised and somewhat tightened the structure of her *Rashomon* for Sadler's Wells Theatre Ballet. The result last night proved entirely beneficial; it now seems even better argued in its shape and more clearly delineated as to drama.

The narrations of the three characters have gained in energy, and the roles are given exceptionally good performances. If I particularly praise Desmond Kelly's account of the Bandit it is because it contrives to be authentically Japanese: postures, grimaces, his manic delight in sword-play in the first tale, could be transferred to a Kabuki drama without too much culture shock. It is grand playing, matched by David Ashmole's very controlled and "inward" view of the Husband, and by June Highwood's richly varied presentation of the three aspects of the woman.

With Pamela Marre's evocative forest setting, and Bob Downes' atmospheric score, *Rashomon* makes tremendous sense. An explicit eroticism may not suit every audience, but it has earned a permanent place in the repertoire—at least a heavy feminist tract aimed at the easy target of booby rugger players. Also there was a central illogicality which remained throughout: no woman of such taste, intelligence, ability, and virtues as the divorcee, Maggie, would ever take up in the first place with such an unredemptive slob as Ted. Yet in the end the play impressed, mainly through the acting, particularly from Diane Fletcher as Maggie.

The evening also brought my first view of the SWRB revival of the piece.

Wignore Hall

Colin Carr

by DAVID MURRAY

Early in the last work in Colin Carr's recital last night, his A-string snapped, and the duo did his only spare string. While an audience might well have decided that it was time to go home, Nobody (I think) did; as cello recitals go, that was no mean tribute. Carr will undoubtedly go on holding his audiences in their seats for many years to come, since he is only 21, and already a performer with complete technical equipment and remarkable communicative powers.

His programme ranged confidently over sturdy Brahms (the Op. 35 Sonata), Stravinsky's *Firebird*, and a virtuoso set of variation by Martin on a Rossini theme, with an ingenious arrangement of six of Falla's "popular Spanish songs" as a *bonne bouche*.

The Brahms, the clear intensity of his attack seized the attention at once; not a matter of furious sawing, but of expressive conviction, and sterling security in all registers. In the alto range, Carr's tone was almost vocal, and used with the effortless freedom of a first-class singer.

On Monday there were also new Balstrode. As Norman Bailey was ill, Jonathan Summers sang the part. He makes a sprightly, young-middle-aged merchant skipper, whose mood swings between earnestness and kindness are very evident. The role is vocally most rewarding, as many other baritones have discovered, and Mr. Summers, in firm, resonant voice, does the music ample justice. His words are also admirably clear.

Other newcomers to the cast include Norman Welby's dapper Ned Keene and Malcolm King's seniorian-voiced Carter Robson, both of whom fit well into the production. Heather Harper, though she must have sung Ellen Orford more often than any soprano since Joan Cross, the first Ellen, always finds new and interesting insights on her character. John Dobson has become a powerful Bob Bole, a bigot maybe, but a completely sincere one. Patricia Payne's sepulchral Mrs. Sedley, Elizabeth Bainbridge's comfortable Auntie, the two former Misses of Elizabeth Robson and Anne Pashley, and Forbes Robinson's marvellously self-confident Swallow are all excellent.

David Atherton conducts; he encourages the chorus to sing with a feverish fervour that is in danger of lifting the roof, and he obtains an equally enthusiastic response from the orchestra. In the orchestral interludes the clarity of texture, even at the height of the storm, allows an exceptional amount of instrumental detail to be heard, though the sweep and flow of the music, like the rise and ebb of the tide, remain inevitable.



Poppy Hands and Red Beddall

Riverside Studios

The Tempest

The Pip Simmons Theatre Group is ten years old and their first attempt at Shakespeare can be best (and most kindly) approached as a lovely failure in a period of transition. For many years the group thrived on assaulting their audience with its own liberal assumptions about the Chicago riots, Negro slavery and, most recently, the horrors of life in a Nazi concentration camp. The prime problem would appear to be one of material, and in selecting Shakespeare's drama of magic and redemption, of slavery and atonement, the company fails, not too spectacularly, between two stools.

The smaller of the two Riverside studios proves a spacious yet more manageable venue than the larger, with customers squatting on raised planks in front of a sand pit adorned with bits of old wood and blowing white muslin. Upstage, Prospero in a Robinson Crusoe straw hat summons the storm on a moog synthesiser. The naked Miranda with lascivious intentions. These she saves off the stage and find herself subjected to a more frontal declaration of interest by Jessie Gordon's itchy, anguished Ferdinand. There is a halfhearted effort throughout to engage the audience by treating them as dumbly conspiratorial islanders in the regicidal japes, but the old Pip Simmons magic is palpably not working its spell and, without that, Prospero himself has little chance of success.

As usual, Simmons's interest is in mobilising his stage action to distil images of power, sadomasochism and sexual confusion, ignoring all purist objections, the resultant brew is less than heady, plummeting too often into a period of transition. For many years the group thrived on assaulting their audience with its own liberal assumptions about the Chicago riots, Negro slavery and, most recently, the horrors of life in a Nazi concentration camp. The prime problem would appear to be one of material, and in selecting Shakespeare's drama of magic and redemption, of slavery and atonement, the company fails, not too spectacularly, between two stools.

As usual, Simmons's interest is in mobilising his stage action



Brian Cox and Jane Lapotaire in 'The Devil's Crown'

Chichester Festival Theatre

A Woman of No Importance

by B. A. YOUNG

Oscar Wilde did not call this play a comedy. He called it a new and original play of modern life, and I suspect that he thought of it rather as Mr. Osborne thought of *Look Back in Anger*, a cry of indignation at a current injustice, namely the laws concerning bastardy.

He chose the absurd melodramatic plot about Mrs. Arbuthnot's illegitimate son, Gerald, and his unexpected encounter with his father, because this was the kind of plot that was expected by the audiences of the day. But someone in it had to speak out on the side of reform. Who could it be but the witty peer to whom the clever lines were to be allotted, Lord Illingworth, the boy's father?

In this production the director, Patrick Garland, has latched on to this point and made Illingworth a serious character. There is plenty in the text to support this view, but it does make the part difficult to play. Keith Baxter has not found the right attitude yet; he is over-serious, positively pompous, and his witticisms drop like lead. (It is an extra disadvantage that so many of them are so well-known out of context.) When he needs only to be serious, as in the big scenes with Mrs. Arbuthnot in Act 2 and Act 4, he is admirable, disappointing only in that he is not the character we are expecting to meet.

Where Mr. Garland has gone wrong, it seems to me, is to make so many other people serious as well. His interpretation is interesting, but the performance much less so. Even Rosie Kerslake's Lady Studfield discusses the need for square chins on men as if she were talking of Home Rule or something. Consequently, the play drags unmercifully, playing full 3½ hours with two intervals.

£1,000 book award

"Unemployment" and the plight of the "unexpectant teenager" are the subjects of unique book awards sponsored by the Odd Fellows M.U. Friendly Society. The judges of the Odd Fellows M.U. Social Concern Book Awards will be looking for the book or pamphlet which makes the most useful contribution to the finding of solutions for each of these problems.

The announcement and presentation of the prize winners will be held at Odd Fellows House, Manchester, on October 13.

Covent Garden

Peter Grimes

by ELIZABETH FORBES

The striking simplicity of Elton John's production of *Peter Grimes*, revived on Monday at Covent Garden, throws into sharp relief all the inhabitants of the Borough, the fishermen and their wives as well as the higher echelons of the town society so superbly characterised by Benjamin Britten in his music. This is particularly true of Grimes himself; seen against the sand and the sea and the sky which make up the sets designed by Timothy O'Brien and Faezina Firth, Grimes takes on an even greater importance, the centre of the opera as an individual and as a symbol of the eternal outsider.

The two singers so far heard in this production, Jon Vickers and Richard Cassilly, have been dramatic tenors with heroic voices. Now, lyric tenor Robert Tear, takes over the role, subtly altering the balance. Predictably, Mr. Tear sings "Now the Great Bear and Pleiades" with a wonderfully fine-drawn line while his final monologue is keyed to a tender, and very nearly breaks the smooth flow of tone, but never quite does. Less predictably, he is more violent in his argument with Balstrode at the end of the first scene of Act 1 than either of his predecessors, and he also treats his apprentice more roughly than they did when preparing to go fishing in the second scene of Act 2.

What Mr. Tear so far does not miss is the sense of menace, of cruelty, that the townfolk feel or suspect in Grimes, and which sparks off their manhunt. But it is already a most accomplished performance that will

Cutbacks at the National

The National Theatre is having to reduce its acting company and the number of new productions because of a continuing cash crisis. About 30 slightly cut. New productions actors and actresses have left during the past few months, bringing the company's total down to between 95 and 110 artists, depending on the

How to make a business bloom.



You've tended your company with care and waited patiently for the economic climate to warm. But just as you scent success your cash flow threatens to stunt your growth. That's when the Griffin solution can help. Griffin Factors' financial services have helped many companies whose growth prospects were threatened with financial blight. Additional

working capital, reduced accounting overhead, expert credit control and much more. All part of the Griffin Factors service. Contact Griffin Factors or any Midland Bank Manager for the facts.

Grow with Griffin.



Griffin Factors Limited
A SUBSIDIARY OF MIDLAND BANK LIMITED

Farncombe Road, Worthing, West Sussex. Telephone: 09033 205181. And offices in London, Birmingham and Bradford.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
 Telegrams: Finantime, London PS4. Telex: 335341/2, 333397
 Telephone: 01-544 8000

Wednesday May 10 1978

The challenge to society

THE COLD-BLOODED murder of Aldo Moro will send shockwaves not only through Italy but throughout civilised Western society. In human terms, his fate is no more tragic than that of scores of other kidnap victims who have met gruesome deaths in recent months. What makes Signor Moro's death especially shocking was his position as one of Italy's most powerful and respected political figures, at the pinnacle of one of Western Europe's most important democracies. His eminence underlines both the enormity of the Red Brigades' action and the inability of a modern Western society to guarantee the security of its elected leaders.

Provocative

If Signor Moro had been kidnapped for money, like so many other prosperous Italians, the authorities would doubt have allowed his family to strike a deal. But in his case, his abductors made it clear from the outset that their objective was to "declare war on the State"—a challenge so provocative that no Government could give in to it without risking incalculable political and social consequences. Even to have negotiated with the kidnappers would have been an admission of the State's vulnerability to terrorist attack. Despite understandable heart-searching, and a certain wavering in the last few days, the Government stood firm. It was right to do so.

Significantly, the toughest resistance to any kind of deal throughout the agonising weeks of Signor Moro's captivity came from the Communists. Their attitude no doubt partly reflects traditional Communist commitment to the priority of the State's interests over those of the individual. But it also that to over-react with repression reflects the importance they give counter-measures to attach to dissociating themselves from the lawlessness of the extreme left. A major plank of their strategy is to convince Italian and world opinion that they are a respectable party of men's firmness encourages others to follow suit, and if more serious suits are now made to combat terrorism at international level, then Aldo Moro may not have died in vain.

Blackmail

Nevertheless, it is a hopeful sign that throughout the world Governments are beginning to realise that to give in to terrorist blackmail is to invite further attacks. There is State's interests over those of the individual. But it also that to over-react with repression reflects the importance they give counter-measures to attach to dissociating themselves from the lawlessness of the extreme left. A major plank of their strategy is to convince Italian and world opinion that they are a respectable party of men's firmness encourages others to follow suit, and if more serious suits are now made to combat terrorism at international level, then Aldo Moro may not have died in vain.

Post-Budget City blues

IT IS NOT surprising that the financial markets were upset yesterday. The first reason was the combined success of the opposition parties at Westminster in amending the Finance Bill to cut the standard rate of income tax by 1p in the pound. While lower taxes are always to be welcomed, this particular cut will be of relatively little benefit to anyone but will add £340m. (£370m. in full years) to the public sector borrowing requirement. Since the City was already worried about the Government's ability to finance the PSBR as it stood, and since further cuts in taxation may still be forced through, there is now widespread talk of still higher interest rates. It is encouraged by the fact that the Chancellor seems in no hurry to propose the cuts in public expenditure or the rise in indirect taxation that would restore the previous position.

CBI gloom

There were other, purely financial reasons for gloom. When Minimum Lending Rate rose last week from 7½ to 8½ per cent, instead of the 9 per cent, generally expected, there was a feeling that it had a little further to rise before a temporary peak seemed to have been reached and the Government would begin sorting out. When the clearing banks admitted their own rates yesterday, it appeared that they shared this point of view. The banking figures issued yesterday, moreover, showed a very sharp rise in eligible liabilities, though special factors may have been partly responsible for this.

Meanwhile the Confederation of British Industry, which wanted a much more expansionary Budget, with larger cuts in direct taxation offset by a general increase in VAT, has published a survey of industrial trends that seems to justify the disappointment already expressed by its spokesmen. The least specific but often the most revealing question which it puts to its members is about changes in their general optimism about the business outlook. The latest survey suggests that they have

become, if anything, rather less optimistic since the Budget. This seems to be partly because it was less expansionary than hoped, partly because the tax benefit to middle management was so small, and partly because export prospects in a depressed world market remain bleak—though the fall in the sterling exchange rate has caused some slight revival of hope in this last area. Much the most important constraint on fuller use of capacity remains the inadequacy of demand (though there appear to be significant shortages already of skilled labour) and it is expected that numbers employed will continue to fall.

The CBI mentions three bright spots in the picture, the firmness of investment intentions, the modest reduction in cost increases, and the absence of any further worsening in the financial position of companies. But investment intentions can be changed, especially if interest rates rise temporarily high. The cost position is worsening with the very drop in sterling which the CBI wanted for competitive reasons, as shown in the latest wholesale price indices. And the regular delay in passing on such increases may well have some effect on company profits.

Trade figures

Market sentiment tends to move from one extreme to the other. Mr. Healey has at least made the PSBR mentioned in the Budget a firmer target than before and it is difficult to believe that he will want, in a time of high unemployment and doubtful competitiveness, to offset reductions in direct personal tax with higher company tax or higher employers' insurance contributions. Since he has almost certainly pitched his inflation forecast rather too low, moreover, perhaps in the hope of influencing wage negotiations, he may also have underestimated tax revenue and overestimated the size of the PSBR. But the markets are unlikely to settle down until the immediate outlook is clearer than it is at present. The next major hurdle is the April trade figures, due to be published at the beginning of next week.

Moro's sacrifice gives Italy a new chance

BY DOMINICK J. COYLE AND PAUL BETTS, ROME, MAY 9



ENRICO BERLINGUER... the conservative-revolutionary paradox.

THE DEATH of Sig. Aldo Moro removes from the Italian political scene the most complex political personality, and one of the most influential since Alcide de Gasperi, the "father" of post-war Italy.

Sig. Moro, a southerner with a strong political base in Bari, was born in 1916, and entered Christian Democrat politics following a distinguished academic career devoted to law which he was to follow more as an academic and university lecturer than a practitioner.

Serving initially as Foreign Affairs Under-Secretary in one of the de Gasperi Governments, Sig. Moro advanced within the Christian Democratic hierarchy to become Prime Minister five times and secretary-general of his party.

But his really distinguishing mark was his ability to plot, and subsequently to deal with, complex political and social changes in Italy, starting in the early 1960s when the Christian Democrats lost their seemingly permanent hold on power. It was he who charted then the so-called "opening to the left" in Italian politics, when the Christian Democrats accepted (however reluctantly) the Socialists in a governing coalition. Shortly before his kidnapping on March 16 he had charted an even more controversial political advance—a governing deal with the country's powerful Communist (PCI) forces, which saw the latter enter for the first time in some 30 years the ruling parliamentary alliance.

A proven vote-getter in his own constituency, and a man who always maintained the closest contacts with the Vatican, and particularly with the present Pope Paul, Sig. Moro simultaneously managed to maintain "appropriate" links with the Communist Party. The PCI leadership looked upon him as one of the few established Christian Democrat politicians with whom it might be possible to "do a deal".

Sig. Moro combined two unusual attributes in Italian political life. He was both a political realist and a supreme political strategist, a man who seldom made a decision lightly but, having made it, insisted with his own party on honouring his commitment. His admirers, and they were legion, liked to point to his own peculiar strategy for reaching political decisions.

He would work out on separate sheets of paper every conceivable implication of a single political decision in order to ascertain the likely extent of any initiative.

It was this style of decision-making which endeared him to the Communist leadership, which itself has always looked well beyond a particular political act towards a possible long-term partisan gain. One Communist source said here

to-day privately: "With Moro you knew where you stood, although you might not always appreciate it fully at the time."

Despite his own strong ties with the Roman Catholic Church Sig. Moro stood to the left of the Centre of his party. Prior to the kidnapping, he was virtually the automatic choice of all the main political parties as President of the Republic when the present incumbent, Sig. Giovanni Leone, retires at the end of this year. He had never indicated whether he wanted the job, but it was certainly his for the asking.

Almost uniquely among top Christian Democrat leaders, Sig. Moro personally was uncommitted with any suggestion of financial corruption or political sharp-practice. He was Machiavellian certainly, in the time honoured Italian tradition, but (again to quote a Communist Party admirer) "a man very much of his word."

The long-ruling Christian Democrats are not just understandably bereft at the news of his death, but many of them feel instinctively that they have lost one of their sheet-anchors as a political party, and one which in present-day Italy it will not be easy to replace.

The spot where Sig. Moro's body was found to-day—about 100 yards from the Communist Party headquarters and some 180 yards from that of the Christian Democrat party—was a macabre gesture by the ultra-Left Red Brigades terrorists, who kidnapped the former Premier 55 days ago in a bloody ambush in which five police bodyguards died.

From the beginning, the Red Brigades had clearly sought to provoke the sort of reaction which could have plunged Italy into a state of chaos. Sig. Moro had been the architect of that unique political formula—ratified by Parliament on the very day he was kidnapped—which now sees the Communists directly supporting a Christian Democrat minority government. This did not happen. The ruling party maintained its stand of

not surrendering to the terrorists, in spite of intense internal pressures to negotiate for the release of Sig. Moro coming from the family of the former Premier and his closest allies.

This stand was dictated in part by the other political parties supporting Sig. Giulio Andreotti's minority government. They stated quite explicitly that on no account could they tolerate a defeat of the State. The flagbearers of this intransigent position were the Communists, who even sharply criticised a series of "humanitarian proposals" by the Socialist party which included an amnesty for political prisoners convicted of minor offences.

After 55 days, repeated threats to execute Sig. Moro, numerous communiques and letters purportedly written by the prisoner urging the political forces to agree to the terrorists' demand for the release of 13 named prisoners, an increasing sense of frustration appeared to overcome the Red Brigades. On Friday night, faced with the repeated refusal of the government to negotiate the release of Sig. Moro, the terrorists cryptically announced: "We have nothing more to say."

The events of the last 55 days seem to have strengthened the solidarity between the country's main political parties and the minority Government formula agreed in March, if only in the short term. Even the campaign for an important series of local elections next Sunday reflected this mood. The campaign, unlike previous ones, has been relatively subdued and devoid of the usual bickering. Yet the elections, involving some 4m. voters or about one tenth of the electorate, represent the first effective test of public opinion since the inconclusive general elections of June 1976.

The Communist Party has openly praised the Christian Democrats' firm refusal to give in to the Red Brigades, and despite the political paralysis inflicted by the kidnapping, the Government has none the less attempted to enforce the commonly agreed programme to bring the country out of its current social and economic crisis. The controversial trial in Turin of the leaders of the Red Brigades movement is continuing, although there had been fears that Sig. Moro's kidnapping would have led to a further postponement.

But although the political forces so far have shown the will to maintain a united front against the terrorists, the death of Sig. Moro is bound to provoke severe tensions within the various parties. In the case of the Christian Democrats, the vocal faction which has traditionally opposed any deal with the Communist Party will doubtless make itself heard. The Red Brigades, their argument runs, are in a sense the pro-



Aldo Moro, photographed by his Red Brigade captors last month. Prior to the kidnapping he was virtually the automatic choice of all the main political parties as Italy's President.

duct of the Communists, who to-day appear as a "respectable party of government." The Communists, for their part, have increasingly criticised the authorities for their failure to halt the growing wave of politically-inspired violence which has afflicted the country.

By the gesture to-day, the Red Brigades wanted to inflict their latest blow not only against the ruling party but also against the Communists, who they claim have "betrayed the revolution." In many respects, they have demonstrated that as a subversive force they have at their command an organisation so closely knit that not even an unprecedented police and army manhunt has been able to unearth any substantial clues on the movement.

Public opinion reflects a growing mood of fear and exasperation at the apparently uncontrollable deterioration of law and order in the country. For the first time, however, there does seem to be a genuine consensus among the political

parties that something must change in Italy. All the parties openly admit that serious mistakes have been made in the past, but insist that the country is turning over a new leaf. This is reflected in the new "emergency" formula and the declared intention to make it work, especially following the death of Sig. Moro. Measures are to be taken to destroy the network of wide-ranging sympathisers in a number of cities like Milan, Turin, Genoa and Rome. These are usually people disillusioned with the Communist Party, which as the party's Secretary-General, Sig. Enrico Berlinguer, has paradoxically called "a conservative and revolutionary party." This is not the contradiction it seems. For as mass party, the Communists inevitably are conservative.

Yet at this very moment, all this pales into relative insignificance in the face of the tragedy which has afflicted the family of Sig. Aldo Moro, the families of the five bodyguards killed on March 16 and all the other terrorist victims.

The labour movement has now indicated its willingness to moderate wage claims and accept the principle of labour mobility to help the economic recovery of the country, especially in the South. On the surface at least, the political parties seem intent to put aside their traditional differences. All the signs indicate a common will for change. But the big

MEN AND MATTERS

Old Lady makes a sale

To move into a building vacated by the Bank of England must always bestow a touch of grandeur. This fortune has just come to the Bristol and West Building Society. It is in the process of buying, for an undisclosed sum, the Bank's imposing property at the bottom of Chancery Lane. This used to be the Law Courts branch of the Bank, but since December, 1975, it has stood empty, silent and barred. Behind a massive gate across the main entrance, into which passers-by have thrown their jetsam, stands a Kafkaesque sign: "Please announce arrival and ask for details."

It was when I rang Threadneedle Street and asked for details of what they proposed doing with the place that news of the sale to Bristol and West was revealed. This marks a break after 90 years. The Law Courts branch had been a legal necessity since Victorian times, because it accepted cash lodgements for the courts. But when the new Supreme Court Funds Rules became effective on December 15, 1975, the branch simply became redundant. The Bristol and West, founded in 1850, seems eminently suitable to follow in the Bank's footsteps. Its slogan is: "Join the Money-building Society."

Right wing score

Anyone who watched last Saturday's Cup Final and wondered if British soccer has acquired almost religious overtones, should pause to note how the game sits Catalanians fans. Barcelona FC—"Barca"—for its 2m. passionate followers—had three titles within its grasp last month, only to finish with one, the Spanish Cup. But it has been the off-the-field activities of the candidates for the presi-



dency of Barcelona—in the first universal suffrage elections to take place in a Spanish soccer club—that has really concentrated the Catalan mind.

Barca's presidency is only second in prestige to the presidency of the re-established autonomous Generalitat, Catalonia's traditional government. All newspapers and political parties have taken sides in a campaign that proved far less gentlemanly than last June's general elections. The leading candidates were Jose Luis Nunez, a non-Catalan, and one of a select band of builders who mushroomed to fame and fortune under Franco. His main opponent was Ferran Arino, backed by the Nationalists and Progressive banking circles. He also had strong support on the ground from the PSUC, the Catalan communist party.

No Catalan artists and singers would turn out for Nunez's galas, and he had to import a French group instead. The only Barca player to side with him was the Dutch star, Johann Cruyff, somewhat gratuitously since he was due to retire the day after the elections. Cruyff stated that he

would not work with Arino. But Nunez scraped home as his supporters intoned the Falangist hymn "Cara al Sol." In the glow of victory, he has magnanimously withdrawn the 23 libel suits he had pending in against Catalan journalists. He believes that the money he had spent on his campaign—70m. pesetas (£300,000) according to some estimates—was well invested "in the future of Barca."

One prominent local banker said that Nunez was wrong for Barca because "he thought money could buy anything." He should know. On acquiring a famous local newspaper, he asked how much it would cost to sign on two of Spain's most famous philosophers, both of whom had been dead for several decades.

Eye on the ball

Somebody who has just scored 96 and is far from out is Captain Nelson Zambrá. When he was a boy at Highgate School he played cricket against an MCC team captained by W. G. Grace. "I bowled him several overs without being knocked out too much," Zambrá recalled when I talked to him yesterday. However, although Grace did not hit him for six, the captain's memories of the great man are not without reservations: "He was not very popular."

Zambrá now lives a few miles from Alton in Hampshire and his main interest these days is the stock market. "What else is there to do at my age?" he wanted to know. "I hope you've got a few good tips for me." According to his bank manager in Alton, J. R. Minnett, he scarcely needs any: "There are few bargains that escape the captain's attention and he has been known to correct our own brokers from time to time."

buffalo at a range of two yards. He also played tennis against the Wimbledon champion, Tony Trabert, while an undergraduate at Cambridge. Now his main sport is studying the small type 23 libel suits he had pending in against Catalan journalists. He believes that the money he had spent on his campaign—70m. pesetas (£300,000) according to some estimates—was well invested "in the future of Barca."

One prominent local banker said that Nunez was wrong for Barca because "he thought money could buy anything." He should know. On acquiring a famous local newspaper, he asked how much it would cost to sign on two of Spain's most famous philosophers, both of whom had been dead for several decades.

Floating an idea

This column recently reported that the Japanese are looking into the possibility of building airports out at sea: their experiences with the guerrilla-ravaged Marita airport near Tokyo has apparently stimulated this interest. A reader in Monaco points out that the Japanese are also the only nation building flying boats. A company named Shin Meiwa has constructed 15 four-engined machines—about the size of a Hercules transport—which are in service now for maritime reconnaissance.

This must evoke a wave of nostalgia among enthusiasts who recall Britain's elegant postwar Princess flying boats. In those days, this country held a lead in the construction of such machines. But to-day, in Europe, only the Germans still see any future for them. Dornier have been promoting their old pre-war flying boats, but with turbo-prop engines. My Monaco correspondent, J. H. Millar, claims some expertise in this esoteric field. In June 1939 he sold the Air Ministry its first long range American military flying boat. Urging that we should not once more trail in Japan's wake, he says: "Maybe you could do England's declining aircraft industry a good turn by recommending that they look again at the many advantages of large-scale flying boats." It could be a new way to rule the waves.

Observer

The Leicester because...

Our Regular Savings Accounts are exceptional.

To begin with you can vary your monthly payments up to a maximum of £50 and you can pay up to three months in advance.

What's more you can draw some cash out once a year without penalty—ideal for holiday saving.

Regular Savings earn interest at 6.75% calculated on daily balances and worth 10.23% to a basic rate tax payer.

The staff at your nearest office would like to tell you more.

It's just one more reason for choosing the Leicester.

Leicester Building Society

Join the Leicester Investors.

هكذا منة الأمل

COMPANY NEWS + COMMENT

United Scientific well ahead halfway

REFLECTING INCREASED levels of trading and including results from the recently acquired Optic Electronic Corporation, pre-tax profits of United Scientific Holdings were ahead by 30 per cent for the six months to March 31, 1978 from £1.6m to £1.8m.

Turnover jumped by 104 per cent, from £6.27m to £12.81m and the directors say that it is anticipated that both turnover and profit for the second half should be maintained at a level similar to that of the first half. Profit for the whole of the 1977-78 year was a record £2.73m.

The forward order book for the group at the end of April stood at £27m, which currently represents just over 12 months turnover.

The new factory for the production of laser rangefinders at Taunton is now in operation and provides a substantial increase in capacity for the output of this equipment.

On capital increased from a scrip and a rights issue the interim dividend is effectively raised from 0.535p to 2p net per share—last year's final was 1.502p.

comment

Stripping out Optic Electronic, United Scientific's first half profits are only 27 per cent higher on a sales gain of 43 per cent—reflecting volume growth of about a fifth—while the shares stand on a premium of 17.5p. Moreover, the forward order book is a very high volume growth of about a fifth—while the shares stand on a premium of 17.5p. Moreover, the forward order book is a very high volume growth of about a fifth—while the shares stand on a premium of 17.5p.

United Scientific's first half profits are only 27 per cent higher on a sales gain of 43 per cent—reflecting volume growth of about a fifth—while the shares stand on a premium of 17.5p. Moreover, the forward order book is a very high volume growth of about a fifth—while the shares stand on a premium of 17.5p.

PILKINGTON'S NEW COMPANY

Pilkington Brothers and Hurstons and Crawfield have set up a joint company which will carry on the business of their previously separate Tyneside glass manufacturing operations. Twelve wholesale retail outlets are involved, which employ 440 people. The new company will be called Elders Walker Milham.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Aberthaw Cement	25	1	Lesney Products	23	4
Averys	22	2	Mallinson-Denny	22	5
Bank of Ireland	25	3	Mappin & Webb	24	5
Barr & WAT	25	3	Medical Sickness	25	1
Booth Intl.	22	4	Mercantile Credit	22	3
British Northrop	25	5	PLA	22	8
Cedar Inv. Trust	23	2	Progressive Secs.	23	2
Central & Sheerwood	23	1	Richards	24	6
Costain (R.)	23	1	Rush & Tompkins	24	4
Electrical & Ind. Secs.	23	1	Smith & Nephew	22	3
Farnell Electronics	26	5	United Biscuits	22	3
FPA Construction	24	1	United Scientific	22	1
Henderson (P.C.)	24	4	Westward TV	22	5
Hestair	24	7	Wire & Plastic	26	5

Averys reaches £15.4m.

TURNOVER FOR 1977 of Averys which manufactures weighing testing and measuring machines, expanded from £67.14m to £100.15m, and pre-tax profits rose from £14.47m to £15.4m, with £6.38m, against £3.7m, coming in the first half.

Earnings are shown at 18.8p (10.9p) per 25p share and the dividend total is lifted from £201.45p to the maximum permitted £300.83p net with a final of £322.24p. A supplementary dividend of 0.03947p is also proposed for 1978 following the reduction of A.C.T.

Turnover for 1977 of Averys which manufactures weighing testing and measuring machines, expanded from £67.14m to £100.15m, and pre-tax profits rose from £14.47m to £15.4m, with £6.38m, against £3.7m, coming in the first half.

comment

Averys' untested 3 per cent, rise in pre-tax profits last year compares with an exceptionally strong 1977 which had the benefit of three non-trading factors—including a change in the tax treatment of which fell in its important second half. Excluding these exceptional factors, Averys' latest figures suggest some satisfactory growth in its weighing and testing machine and general products divisions at home, where it managed to increase its market share. On the other hand, its international division showed no significant headway after the good increase in 1976. With both sales and orders at home and overseas currently running ahead of 1976 levels, Averys is looking for further improvement in pre-tax profits this year. At 18.8p, the shares yield 6.1 per cent, on a p/e of 7.5.

comment

First quarter pre-tax profits at Smith and Nephew are slightly better than expected. But much of the 21 per cent increase is due to associates, together with lower interest charges and a currency gain of £30,000, against a loss previously of £130,000. Sales rose by only 3.5 per cent, continuing last year's slowdown, though the company points out that this figure would be 8.5 per cent, on a constant exchange rate basis. Medical supplies, where most of the sales go overseas, should continue to provide the bulk of earnings, while Gala, the troublesome U.S. cosmetics outfit, should continue its recovery though there are still problems. Competitors in the personal hygiene side and last year's improvement is unlikely to be matched in 1978 while raw material costs and interest rates are rising again. At 45p the shares yield 5.7 per cent, and stand on a historical p/e of 7.5.

Margins and imports hit Booth Intl.

AFTER RISING from £33.3m to £50.4m in the first half, pre-tax profits of Booth (International Holdings)—hide and skin merchants and tanners—finished 1977 down from £1.16m to £1.03m, on turnover of £32.49m, against £31.1m.

Earnings are shown at 13.14p (10.84p) per 25p share and the dividend total is lifted from £302.38p to the maximum permitted £430.23p net with a final of £430.23p.

Mr. G. W. Whicks, the chairman, says that 1977 was another good year but during the second half Booth, and the industry as a whole, were faced with erosion of sheepskin margins and the import of cheap leather, shoes and clothing.

With the problems of the second half continuing the group has made a poor start to 1978 and as yet there are few signs of any major improvement. However, with the wide range of its business the directors feel well placed to take advantage of the turn when it arises, particularly as 1977 has been a year when the group has paid a great deal of attention to improving its technical performance.

GOODE DURRANT

IT WAS reported in later editions yesterday that shareholders funds of Goode Durrant and Murray stood at £13m. In fact this should have been £8.6m.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding year	Total for year	Total last year
Averys	3.88p	July 1	3.48	3.81	3.2
Bank of Ireland	10	July 7	8.25	13	11.25
Barlows	7.87	July 7	7.87	7.87	7.87
Barr & Wallace Arnold	3.72	July 6	3.33	3.72	3.33
Booth Intl.	2.91	July 31	2.39	4.39	3.97
British Northrop	6	July 1	ml	6	ml
Cedar Investment Int.	1	June 5	0.9	—	2.3
Central & Sheerwood	1.23	July 3	1.11	2.95	2.11
FPA Construct.	ml	—	0.63	0.5	1.15
P.C. Henderson	2.82	July 1	2.5	4.36	3.94
Investors Capital Int.	0.7	July 3	0.5	—	1.85
Lesney Products	1.83	July 3	1.66	2.91	2.5
Mallinson-Denny	1.54	June 29	1.5	2.79	2.5
P.S.I.T.	1.9	—	1.73	2.5	2.5
Richards	0.25	June 1	0.22	—	1.84
Utd. Scientific	0.31	—	0.23	—	2.14
Westward TV	0.6	June 20	0.53	—	1.65
Wire & Plastic	1.34	July 1	1.23	2.14	1.93

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Additional 0.03947p for 1978. § Includes a 0.05119p supplementary payment for 1978.

Mallinson-Denny falls in second half

FOLLOWING AN increase in the first half from £4.27m to £4.65m, Mallinson-Denny, the international timber group, fell in the latter half and finished 1977 with taxable profits down from a peak of £9.27m to £9.07m, on external sales ahead to £100m, against £106.1m.

The directors state that after a good start in 1977, there were a number of problems to overcome in the last eight months: a sharply falling sterling price of softwood timber went with the lowest level of U.K. demand in the building trade for many years, causing a squeeze on margins in that sector and a measure of stock loss.

Nevertheless, the result of the year in U.K. and Europe was an improvement overall, they say. A few individual companies in the group still under-performed, and the majority already shows an improved situation in 1978.

At the end of April, U.K. turnover in money terms is ahead of the corresponding period of 1977, they add, even with a lower average price level.

The strength of the pound at the year-end required a heavy provision for the trade indebtedness, particularly in the building trade, from which the group's subsidiary there was not immune.

In Thailand, the flooding in late in the year of tractor shipments, delayed by strikes at Mallinson's suppliers, created a large stock surplus at the year-end, which is now being satisfactorily reduced, they explain.

A significant short-term result of these problems was that at the year end, while U.K. stocks and borrowings had been held constant, there was a considerable drop in the group's cash and deposits were shown at £228,000. The three already bought cost £260,000. The question for shareholders is when this operation can justify the investment. The Board hopes to give more information at the year end but early trading is showing a good return. Meanwhile the television contracting business remains strong. Advertising revenue continues buoyant and revenue should easily top £7m, implying trading profits close to £2m before the levy. At 23 1/2p the prospective yield of 11 per cent, is at the top end of regional companies, with a fully taxed prospective p/e of 7.5 is a high enough rating.

Westward TV up so far

NET ADVERTISING revenue of Westward Television for the half year to January 31, 1978, rose from £2.5m to £2.87m, and trading profit was up from £616,000 to £882,000 after depreciation of £108,000 against £77,300.

After Eschequer levy £548,000 compared with £378,000 and tax £200,000 (£178,000) net profit covered as £184,000 (£162,000).

Mr. Peter Cadbury, the chairman, says he has every reason to suppose that "our annual accounts will show a similar increase in revenue and profits".

The interim dividend is lifted from 0.55p to 0.8p net per 10p share—last year's final was 1.1p paid from net profits of £300,141.

The chairman adds that Air Westward is a diversification that he has every reason to suppose will strengthen the company on the financial side, and over the next few years make a substantial contribution to profits, which will not be subject to the levy.

Substantial increases, he says, have been made in the company's production budget, and nearly £400,000 has been added to the company's expenditure programme so far this year.

comment

Westward's advertising revenue is riding on the crest of a wave. Revenue is up by 43 per cent in the six months to end January compared with the same period showing a 32 per cent increase. So the earlier forecast of approaching £7m, for the year, implying an increase of 20 per cent, is already looking out of date. Trading profits are up 51 per cent, but after the Eschequer levy the gain is whittled down to under 14 per cent. Hence the programme of diversification into non-levy profits. However the airline business demands a fair turn of capital investment. In

ISSUE NEWS

Sellars aims for full listing

Irvine Sellars, a private clothing retail chain is considering the possibility of getting a full Stock Exchange listing within the next 12 months.

Reporting full year profits for the year to January 28, 1978, the founder chairman, Mr. Irvine Sellars, said yesterday that the final decision of whether to go public or not depended upon his own financial position and the state of the Stock Market. But if the market looked strong enough the company would go for a listing regardless of his own position. The company, which trades under the "Alates" fashion name and operates through 35 retail outlets on a nationwide basis, was set up by Mr. Sellars in 1965 and was one of the pioneers of dual trading (both mens and womens fashion clothing sold at the same store).

At present, the founder owns 60 per cent of the capital. Barclays Merchant Bank has 12 per cent. Friends Provident about 3 per cent, and 23 1/2 per cent, is owned by Abingworth, the company set up by Anthony Moulton and Peter Dickson.

Mr. Sellars, the chairman, announced pre-tax profits of £312,608 (£303,347) for the year ended January 1978. Turnover amounted to £8.96m. (£7.31m.) including V.A.T.

There is an exceptional profit of £409,373 (debit £134,319) on property sales. Apart from retailing the company is in the business of "buying and selling property" and the latest figures show property assets of £2m—basically retail outlets.

Mr. Sellars said he was considering opening between 15 and 20 stores this year. This would involve an investment of up to £1m, which would be financed from the company's own resources. The company also looking at the possibilities of acquisitions. At present, a couple of unquoted companies are under examination—both retail operations. Also Sellars is thinking in terms of reversing both mens and womens fashion clothing sold at the same store.

Initially these acquisitions will be financed from the company's own resources. There is very little existing gearing, though a medium term loan is under negotiation which could raise in the area of £1m.

Wellco Holdings, distributor of electrical appliances, property developers and building contractors, is proposing a £330,000 cash call from shareholders. A rights issue on the basis of four-for-eleven is proposed, at a price of 20p. In the market the shares closed 1 1/2p lower at 24p. The issue is underwritten. The company is also forecasting profits of £350,000 (£306,000) for the current year and a big increase in the dividend.

The purpose of the rights issue is to finance the repayment this June of £514,021 of 6 1/2 per cent, of £200,000. The directors consider that the increased borrowing base, created through the rights issue, will be sufficient to meet the demands for additional working capital deriving from a continuing increase in the level of

Mid Devon District Council has raised £1m of variable rate bonds dated May 3, 1982.

The Borough of Wolverhampton and Blackburn Borough Council have raised £1m, piece of variable rate bonds dated May 4, 1983.

PLA gives assurance

The Port of London Authority wishes to assure holders of the £41m. Port Stock maturing on August 1, 1978, that repayment will be made in full on the due date.

None of the remaining £191m. outstanding in respect of Port Stock falls due for repayment before 1980. "This gives ample time for the resolution of our existing problems."

Under The Port of London Authority (Borrowing Powers) Revision Order 1971, Section 34 (1), Port Stock issues are "secured on the assets for the time being of the Port Authority, on the port fund and on the revenues of the Port Authority."

Ashford Borough Council has raised £1m of 11 1/2 per cent. bonds dated May 6, 1981 at par.

The Borough of Milton Keynes has raised £1m of 11 1/2 per cent. bonds issued at par and dated May 6, 1982.

Senior Secretaries

A perfect match for every boss. Senior Secretaries, 3/6 Trump Street, London EC2V 8DD.

The more we're sat on, the more we grow



Continually growing BTR sales. From Royal Parnall fibreglass shells reduce overall weight.

Beneath the upholstery of British Rail's newest trains are rigid fibreglass seats from BTR. Increasing use of fibreglass is one of the reasons for our growth in recent years.

BTR's fibreglass products and components are supplied to customers round the world who need a tough, light material for a wide variety of uses.

We supply thousands of other products to the engineering, transportation, energy and mining

industries worldwide. Vital components for cars, trains and planes. Hoses of all types. Heavy-duty conveyor belting. Oil platform steel-work assemblies. Rubber, plastic and engineering components.

We're confident we've got the right mix to carry on growing. Sales to key industries and worldwide manufacture and distribution. Above all, an operating philosophy that actively encourages growth.

BTR stands for growth

BTR Limited, Silvertown House, Vincent Square, London SW1P 2PL.

Bowring

Bowring is engaged throughout the world in insurance and re-insurance broking; insurance underwriting; credit finance and leasing through Bowmaker; merchant banking through Singer & Friedlander; shipping, trading and engineering.

Copies of the Report and Accounts may be obtained from the Secretary, C.T. Bowring & Co. Limited, The Bowring Building, Tower Place, London, EC3P 3BE.

"We are continually improving our expertise, developing new ideas and probing new frontiers"

reports Mr. Edgar Bowring, M.C., Chairman, in his annual statement accompanying the report and accounts for 1977. "1977 has been another record year and the Group has more than doubled its profits in two years. This demonstrates the Group's inherent strength and the ability and expertise of its executives and staff to exercise initiative and adapt to changing circumstances. I am confident that this progress will continue. Given a favourable climate, the Bowring Group should go on adding to the country's wealth at a faster rate than the rate of inflation and should maintain the contribution which we are making to invisible exports."

	1976	1977	Increase
Turnover	£945m	£1,088m	+15%
Profit before tax and extraordinary items	£25.8m	£33.0m	+28%
Earnings per share before extraordinary items	11.7p	15.4p	+32%

Central & Sheerwood £1.37m. expansion

PRE-TAX profits of Central and Sheerwood rose from £3.34m. to £4.71m. for 1977 against £2.01m. against £1.4m. at half-time. The directors then said that the level of group trading indicated that second-half profits would exceed those of the first. They say that the present level of activity and the subsidiaries indicates that the continuous and considerable growth in group profits should be sustained through 1978.

Earnings per 50 share before extra-ordinary items are shown as 4.32p (4.92p) and the dividend is stepped up to 2.33391p (2.1075p) with a final of 1.22891p net.

Pre-tax profit and turnover, £4.71m. (£3.34m.), include Photopia International for its accounting period of eight months to end 1977, amounting to £8.05m. and £0.4m. respectively, and exclude the results of subsidiaries disposed of during the year.

The directors state that Newton Chambers Engineering again increased profits substantially and Ransomes and Rapier, despite the continuing depression of the construction industry, had another very successful year exporting, both directly and indirectly, over 35 per cent of turnover.

Spare capacity still exists in both companies they say, and there are interesting prospects including the potential arising from technological innovations in Newton Chambers Engineering and the re-entry of Ransomes and Rapier into the field of walking draughts. The first of the state draughts to be delivered in 1978 to the U.S. is at present being erected in Pennsylvania and should be in operation in June.

The profit arising from walking draughts is included in the 1977 figures, they add.

The Holcombe group, which now includes in addition to the

Dunn aluminium casting companies the merged Trianco Red-fire heating appliance business and Dawson MXP, achieved further significant increase in profits. Prospects for 1978 in all of Holcombe's activities are excellent, directors state.

The profit performance of the group's latest acquisition, Photopia International, lived up to expectations at the time of offer, they report, and should make a valuable contribution to group results in the future.

The financial services division increased profits significantly in the somewhat improved financial climate and the printing and publishing companies performed satisfactorily.

	1977	1976
Turnover	2800	2800
Profit before tax	4710	3340
Tax	230	172
Minority interests	230	172
Extra-ord. debts	102	79
Dividends	133	675
And profits of subsidiaries prior to acquisition, including £24,000 of Photopia	133	675
Profit	4710	3340

comment

Even without the benefit of profits from substantial walking draughts contracts (still to come) Central and Sheerwood has managed to push pre-tax profits more than two fifths higher. Over 40 per cent of the latest overall profit has been provided by the crawler cranes company Ransomes and Rapier which turned over around £2m. in taxable profits, thanks mainly to exports, which now account for 55 per cent of sales. Improvement was also seen in the Holcombe Group which is now benefiting from reorganisation and at Newton Chambers and Rapier which pushed its contribution up from £300,000 to

Lesney down £2m. after currency adjustments

TURNOVER for the 52 weeks to January 28, 1978, of Lesney Products and Co., the "Matchbox" toy group, rose by 12 per cent, to £221m., but with a currency gain of only £15m. compared with £229m. last time, pre-tax profits fell from £10.97m. to £8.02m. Ignoring currency gains profits are 5 per cent higher.

At midway profits stood at £2.47m. against £3.09m. including £0.47m. (£1.16m.) of currency gains.

After tax, on the ED19 basis, of £3.31m. (£4.52m.) full year earnings are shown at 14.07p (15.72p) per 50 share and the dividend total is lifted from 2.6p to the maximum permitted 2.94p net with a final of 1.388p.

	1977	1976
Turnover	221	229
Profit before tax	10.97	8.02
Income tax	1.82	1.58
Profit before tax	9.15	6.44
U.K. tax	1.69	2.38
Overseas tax	0.53	0.57
Net profit	4.78	3.47
Extra-ord. debts	0.52	0.18
Dividends	2.60	2.60
Retained	1.66	0.69

Mr. P. St. Tapscott, the chairman, says the balance sheet reflects the impact of continuing corporate expansion. Gross investment in fixed assets was £4.2m., of which about half was absorbed by new buildings in the U.K. and the rest by new plant. At the year end fixed assets stood at £13.9m. (£12.45m.), net operating current assets were £22.56m. (£17.66m.) and net short term borrowings came to £264,000 (£521m. deposits).

Mr. Tapscott states that against the background of a continuing world recession, the company made good progress. Success in the international toy market has now spread far from the original small "Matchbox" models, with an important place established both in model kits and

This week Drivers Jonas are publishing their latest quarterly survey on the West End office market. It provides details on availability and rental levels which will particularly interest those currently looking for or disposing of office space in the area. Free copies and further information are available from Edward Hawkins or Christopher Taylor on 01-930 9731.

Mayfair and St. James's Office Property Survey

DRIVERS JONAS

18 Pall Mall, London SW1Y 5NF

Electrical & Industrial set for progress

The profit rise by Electrical and Industrial Securities in 1977 reflects advances by the Kontak and Finch Watson subsidiaries more than offsetting the decline by Hick Bargeaves which fell short of its target due to industrial action during September.

The Hick Bargeaves profits (which fell from £865,000 to £478,000) also had to bear the cost of machinery installation and improvements to workshops and changes in plant layouts and all of this was carried out while maintaining production. Prospects for this company are excellent and steps are being taken to secure a higher level of output, states Mr. M. Q. Walters, chairman.

At Kontak, where profits rose from £275,000 to £457,000, a serious downturn in demand for jet engine products was offset by demand for hydraulic components for the agricultural equipment industry. Some slight improvement in demand for Kontak's engine

components is now apparent and its range of hydraulic products appears to give some degree of protection from the downturn in the world demand for tractors. The chairman sees scope for future development of Kontak's business.

Profits of Finch Watson (suppliers of equipment to the footwear industry) were more than doubled from £105,000 to £247,000. The chairman says that progress in this company is mainly due to growth in its merchanting activities rather than from an increase in production. Most of Finch's output continues to be exported to the Middle East, Africa and South America.

Other uses for this company's machines are becoming significant particularly for the manufacture of baseballs and soft balls for the U.S. markets.

Summing up the chairman says that the group's prospects for 1978 appear satisfactory and all companies have clear growth prospects. As cash was used for the acquisition of C. F. Taylor group profits will be almost wholly earned in the operating companies and not supplemented by interest from large cash deposits.

Including interest receivable of £126,226 (£174,063) group pre-tax profit increased from £1.3m. to £1.41m. in 1977.

Prior to the Taylor acquisition the group had short-term deposits of £1.76m. (£1.81m.) and bank balances and cash of £0.11m. (£46,435).

It is intended to procure a professional valuation of Taylor's properties this year. EIS states that the acquisition will give rise to an increase in group reserves of £1.2m. subject to the outcome of the revaluation.

Meeting: Brewers' Hall, EC, June 9 at noon.

RISK ALL

LOSE ALL

Midterm rise at Cedar Investment

Revenue of Cedar Investment Trust rose from £563,818 to £594,850 in the half year to March 31, 1978, subject to tax of £205,907 against £209,404.

The interim dividend is lifted from 0.5p to 1p 25p share. Last year's total was 2.5p and pre-tax revenue came to £1.36m.

The net asset value per share deducting prior charges at par but treating loan stock as fully converted was 84.4p at the half year end (88.5p at September 30, 1977).

PSIT earns more and pays 2.8p

Net profit of Progressive Securities Investment Trust emerged as £89,727 for the year to March 31, 1978, compared with £86,160 after a tax charge of £44,625 against £46,600.

The figures exclude results of subsidiary Kestrel Securities which turned in a net profit of £10,002 compared with a loss last time of £3,468.

Gross income for the Trust was about £124,678 to £122,572 and the dividend is increased to 2.8p (2.5p) net per 50p share with a final of 1.9p.

Utd. Biscuits hit by bad U.S. weather

Profits of United Biscuits (Holdings) in the first half of the current year have been adversely affected by bad weather in the U.S. and the effects of the U.S. coal miners' strike, which disrupted its Keebler subsidiary's output in January and February, Sir Hector Laing, the chairman, said at the annual meeting yesterday.

He told shareholders that, because of this, the profit increase for the first half is likely to be less significant than that expected in the second half, but that a satisfactory increase is anticipated for the year as a whole.

Beecroft Sons & Nicholson

71 South Audley Street, London W1Y 6HD

Tel: 01-629 9333 Telex: 261988

BSN

Established 1842

Benjamin Bowring would have been proud of us



Benjamin Bowring, our founder, was born 200 years ago. It is significant that his characteristics of initiative and probity, enterprise and individualism, foresight and endless capacity for sheer hard work have persisted throughout Bowring history.

His initiative showed itself early. In 1803, fresh from a seven-year apprenticeship, he opened a shop in Exeter as a watch and clock maker, jeweller and silversmith. He also took part in the wholesale trade, was active in local affairs, supported charities and, in the face of bitter enmity, stood up to put an end to the slave trade.

His enterprise took him and his family to St. John's Newfoundland in 1811. The shop which he opened there had become by the end of the 1820's a

concern which traded on both sides of the Atlantic.

By 1846, when Benjamin died, the business was established in Liverpool as Charles T. Bowring & Company, and in 1849 it entered the insurance field and expanded steadily over the years.

Benjamin Bowring would be proud of today's global, multi-million pound organisation. He would see in our present success proof of the ability to build on sound foundations combined with a readiness to encourage innovations which have always been the mark of the sturdily individualistic Bowring approach.

He would be particularly proud of us in this bi-centenary year, for the past twelve months' activities have produced record results.

These activities are world-wide

and include insurance and reinsurance broking; insurance underwriting; credit finance and leasing; merchant banking; shipping; trading and engineering.

In presenting the accounts for 1977, our retiring Chairman, Mr. Edgar Bowring, said "This year we are celebrating the bi-centenary of the birth of Benjamin Bowring, the founder of our business, and therefore I have no reluctance in repeating again the words which he wrote in 1841 to his sons, the eldest of whom was C. T. Bowring, wishing them 'Every success which can be expected to result from combined industry, from careful speculation and from unanimous determination to forget the interests of the individual in the better interests of the whole.' I could not express my wishes to those succeeding me in better terms."

Bowring

C. T. Bowring & Co. Limited

The Bowring Building, Tower Place, London EC3P 3BE

Telephone: 01-283 3100 Telex: 882191

FPA passes on final

Turnover for 1977 of FPA made towards the sale of Substantial agreement of terms had been reached by end 1977. Completion of all but two sales has been delayed until 1978 although in the case of one other development where the sale had been agreed by the year-end the directors have considered it appropriate to value this in the 1977 accounts at an amount equal to the realised sale price. The effect of this has been to include in the results for 1977 a profit of £117,000 which would normally have been credited in 1978.

In pursuance of the commitment to dramatically reduce involvement in property development, the directors have made provisions in respect of two sites which no longer justify further investment and of which early disposal is intended.

A number of property disposals which have been, or are in the process of being, completed since the year-end have contributed modest profits. But more significantly have helped towards achieving a further reduction in borrowings.

FPA Developments, a wholly owned subsidiary, has acquired for a nominal consideration of £1 the outstanding 50 per cent of the issued share capital of FPA Devere formerly an associate.

Members are told that future prospects are very much dependent on the return of a healthy climate in the building industry. The ability to respond quickly and strongly when this happens is enhanced by the achievements in recent years in reducing borrowings and in curtailing loss making operations.

Reductions in borrowings of £1.3m have been achieved during 1977. Because of high interest costs in recent years which have been written off as they have been incurred, profitability has depended greatly on the incidence of disposals of property developments. At the time of the interim statement in September, 1977, a substantial progress had been

ARMSTRONG EQUIPMENT

Armstrong Equipment has increased its involvement in the automotive replacement parts market by the acquisition of Gand Frictions. This new means that Armstrong will manufacture and sell a range of brake shoes and linings, disc pads and clutch linings.

It is not proposed to make any major policy changes to the role of the company in the market place.

Richard Costain ahead by 55% to £36.2m.

DESPISE AN exchange loss of £2m, pre-tax profits of the Richard Costain group of public works contractors, etc, jumped by 55 per cent from £23.1m to a record £36.2m in 1977 on turnover 21 per cent higher at £432m. Stated earnings per 25p share are up 90 per cent from 28.1p to 48p.

In September, reporting first-half profits up from £1.5m to £11.5m, the directors forecast full-year profits comfortably in excess of those for 1976.

Turnover	432.000	350.000
Trading profit	25.000	16.000
General trading	25.000	16.000
Rental income	2.500	2.000
Property sales	1.500	2.000
Interest payable	1.500	2.000
Profit before tax	26.200	20.000
Tax	14.100	10.000
Profit after tax	12.100	10.000
Dividends	3.400	2.100
Retained	8.700	7.900
Profit per share	48.000	28.100

The directors intend to recommend a scrip issue of one new share for every two held on May 31, 1978. The new shares would rank for the special dividend but the proposed rates would be adjusted accordingly.

Orders on hand at end-March 1978, were in excess of £700m, of which around three-quarters related to international operations. The directors expect both turnover and profit for 1978 to make a further advance.

Mappin & Webb up to £3.7m.

ALTHOUGH SECOND half profits declined from £2.7m to £2.3m, the £3m first half advance at Mappin & Webb, retail jeweller and silversmith, allowed pre-tax profit for the January 31, 1978, year to rise from £3.4m to £3.7m. Turnover for the year climbed from £21.1m to £27.8m. After tax of £1.97m (£1.7m) net profit was virtually unchanged at £1.7m. The result came after interest of £0.22m (£0.2m).

Shipbuilding Compensation

The Treasury announces an issue of about £40m of 9½ per

cent Treasury stock 1981 as a payment on account of compensation due to shipbuilders for the loss of work on account of the unquoted securities of the following companies: Scott Lithgow, Scott Lithgow Dry-docks, Vickers Shipbuilding Group, Vosper Thornycroft (U.K.), Vosper Shipbuilders.

This follows the recent announcement by the Minister of State that a payment on account has been authorised. The issue will be at a rate of £100 Treasury stock per £95, compensation on account, and is repayable at par on April 1, 1981. Interest will be payable half yearly on April 1 and October 1.

Barr & W.A.T. tops forecast

BETTERING a forecast 20 per cent increase, taxable profit of Barr and Wallace Arnold Trust for 1977 advanced from £1.1m to £1.6m.

At mid-year when the directors made their projection the rise was from £604,000 to £902,000. Full year earnings are shown to have risen from £2.18p to £3.58p and the final dividend is 3.71p net. This with a supplementary payment of 0.0511p makes a total 3.7611p (£3.273p).

The company's interests lie in four operations: car sales and a computer bureau.

Hestair warns on first half

A SHORTFALL in first half profits is likely at Hestair, says the chairman, and it has already made good progress in its distribution operation on the east coast.

He says that while in 1978-79 the weakness in the markets served by the engineering division is likely to persist, the employment bureau and consumer products division are set to do well.

These divisions earn most of their profits in the second half, and so any group progress is expected to be concentrated in the second half, the chairman says.

Because of the flatness of international trade and the recession in the U.K. it is necessary to be cautious in assessing the coming year, he says.

In the special vehicles division, its new double deck bus has been successfully launched with over 150 orders. Several other products, including a refuse collection truck, should come to fruition this year.

While the year may not be an easy one for the division with home market demand low and good export orders harder to get, the directors believe the sales organisation is equipped to win a good share of the business available.

On the farm equipment side the short term outlook is not buoyant, with farmers taking a cautious view on new capital equipment.

Potato prices are weak as are orders for potato planters and harrows. But sales of seed planters, cage wheels and hoes are beginning to recover.

There is much to be done to make this enlarged division a leading farm equipment supplier, but the foundation is being laid and a product development programme is underway, says Mr. Hargreaves.

In the U.S. the Stanhay Inc. subsidiary is considering how best

to achieve local assembly. This is likely to make it more competitive, and it has already made good progress in its distribution operation on the east coast.

Among consumer products, its Kiddier operation is set for profitable growth and Hestair Toys has recently launched new ranges of dolls and action figures and the range of jigsaws has been raised, with export sales 53 per cent higher.

With employment bureaux, 13 new branches will be opened this year, and the budget for 1978-79 is for further progress in all sections of the business with expansion in the south east of England, particularly London.

Hestair has also successfully launched itself into the executive and overseas recruitment fields.

In the January 31, 1978 year Hestair increased taxable profit from £4.02m to £4.23m. A current statement shows this reduced to £3.3m by additional depreciation of £0.67m, and a cost of sales adjustment of £1.28m offset by a £0.99m gearing adjustment.

At year-end fixed assets stood at £8.94m (£8.91m), current assets at £27.09m (£19.29m), and current liabilities £21.54m (£14.24m).

Mr. Hargreaves points out that stocks are at £16.55m (£11.98m) partly owing to supply uncertainties. He points out that companies in the group for the past two years increased stocks 16 per cent, less their increase in sales.

Debtors also rose from £3.44m to £3.6m, mainly owing to less favourable Middle East contracts and partly because of high export invoicing at year-end.

Deferred tax provisions were written back in the year and allowed a £4.4m reduction in goodwill to £2m.

Meeting, Ryde Park Hotel, SW, June 1 at noon.

The Co-operative Bank Group

The following are extracts from the statement of the Chairman, Sir Arthur Sugden

Building Foundations for Further Growth

In a year marked by significant developments for the Co-operative Movement, the Co-operative Bank Group achieved good results which will help make possible further growth of Group activities. Group operating profit rose by one-third, reaching £4.0m, to provide retained earnings of £1.8m. This improved result was attained by continuing to apply the basic Co-operative principles which characterise the Group's operations and in spite of increasing competition for retail funds from within and without the banking sector.

Co-operative Bank Limited

The past few years have seen the Co-operative Bank take an increasingly important and refreshingly different stance within the British banking sector, with a consequent unprecedented growth in business in particular market areas. The main emphasis of activity has been on servicing the requirements of Co-operative Societies. Increasing support for other corporate sectors was provided during the year in a variety of deposit-taking, lending and advisory functions. Of particular note is the fact that lending to Clubs more than doubled.

The number of personal customers joining the Bank during the year rose by well over one-fifth.

In circumstances in which tariffs generally have been raised and there are indications that increasing costs could cause them to be raised even further, the Co-operative Bank has decided to keep its free service throughout 1978 for those personal current accounts maintained in credit and has reduced its Personal Loan interest rate, maintaining it at the lowest available on the market.

The Evolving Movement

Throughout the past year discussions have taken place between Government officials and representatives of the Co-operative Movement on the appropriate role for a Co-operative Development Agency. The Co-operative Bank Group could have an important role to play within the Agency's sphere of operations, both as a provider of finance itself, and increasingly of finance-related advice linked to the further development of Co-operative operations. I have been particularly impressed during the past few years by the dedication and enthusiasm, touched with the necessary amount of idealism, which characterises the newer aspects of the evolving Co-operative Movement.

F.C. Finance Limited

Despite the abnormally high cost of money which prevailed throughout most of the first half of the year F.C. Finance Limited improved its overall performance and its pre-tax profits for the year. Continued development and growth in the traditional business of the group—personal and industrial credit and leasing advances—were more than one-half higher than in 1976—was assisted by the overall reduction in rates during the second half of the year.

Annual Report

Highlights from the accounts of the Co-operative Bank Group for the year ended 14th January 1978.

	1977 £000	1976 £000
Total assets	415,896	366,403
Operating profit	3,974	3,018
Exceptional item	—	350
Group profits before taxation	4,002	2,670
Group profits after taxation and minority interest	1,803	1,123
Share capital	8,000	8,000
Reserves	21,296	19,413

Head Office New Century House Manchester M60 4EP
City Office 80 Cornhill London EC3V 3NJ

The Principal companies of the Group are:
Co-operative Bank Ltd., Co-operative Commercial Bank Ltd.,
Co-operative Bank (Insurance Services) Limited,
F.C. Finance Limited

GO OP The Co-operative Bank
YOUR CARING SHARING BANK

New Issue
May 10, 1978

All these bonds having been sold, this announcement appears as a matter of record only.

Sparebanken Kredittselskap A/S

Oslo

DM 40,000,000
6% Bonds due 1990
— Private Placement —

WESTDEUTSCHE LANDESBANK
GIROZENTRALE

BAYERISCHE LANDESBANK
GIROZENTRALE

GIROZENTRALE UND BANK DER
ÖSTERREICHISCHEN SPARKASSEN
Aktiengesellschaft

UNION BANK OF NORWAY LTD.

UNION BANK OF SWITZERLAND
(Securities) Limited

SOCIETE GENERALE

S.G. WARBURG & CO. LTD.

P. C. Henderson re-establishes margins in second half

A drive to re-establish margins has successfully turned an unexceptional first half into a satisfactory outcome for the 53 weeks to March 4, 1978, says Mr. Pat Gagnor, chairman of P. C. Henderson Group, as he reports pre-tax profits of £1.58m, compared with £1.38m. At halfway a decline from £330,000 to £432,000 was announced.

The improvement is principally attributable to higher volume in the U.K. domestic market and to a temporary respite from the high rate of material cost increases which has been a feature of recent years, he explains.

The directors have devoted a lot of attention to a review of operations. As a result, they have taken a number of decisions. Alone of the overseas companies, the industrial door subsidiary in France has performed poorly. It has not shown the expected move towards profitability and therefore the directors are currently reducing its scope and ambitions.

In addition, they have rationalised the door closer product range and have discontinued the existing design of industrial rolling shutter doors in favour of the products made by Shutter Contractors of Enfield, an established manufacturer recently acquired.

Rush and Tompkins expects rise

THE INCREASED emphasis placed by Rush and Tompkins Group upon its construction and development projects in the past year or so should be reflected in rising profits in the future, Mr. D. Palmer, chairman, says in his annual statement.

Both projects take time to produce the results which should reflect the rise in the value of the group's assets from less than 150p when the property market collapsed four years ago to 234p now.

The group is gradually increasing its programme of industrial and commercial developments and several schemes which were held in abeyance have now started, he adds.

The contract reported at the year-end to sell a recently completed industrial and office development has now been completed but proceeds were not received until 1978 and the borrowings shown in the accounts do not reflect the transaction. At end-1977, net borrowings were reduced from £269,000 to £332,000. Although income from this development will be lost, no significant reduction is expected in rental income in 1978 and the group will benefit from a saving in interest on the amount of the proceeds, Mr. Palmer says.

As reported on April 21, group pre-tax profit rose from £264,000 to £1,271,000 in 1977, and the net dividend is lifted from 2.58p to 2.895p. The success in increasing construction turnover by more than 20 per cent, has been helped by the regional structure which is now beginning to show results. With the acquisition of Reed and Malik, all civil engineering contracting is gradually being brought into one division.

The revival of private house building came too late to have much effect on the results.

The residential land bank has been written down by a small amount because physical conditions have reduced the number of houses which can be built on one estate. But a further £340,000 has been provided against the bank's value to reflect the difficulties being experienced in obtaining certain planning consents within a reasonable time at the optimum densities. This provision may not eventually be necessary.

A revaluation of the property portfolio from an adjusted £18m in 1976 to a total current open market value of about £23.5m underlines the quality of the investments, Mr. Palmer adds.

The target remains to have a third of construction turnover overseas and the directors are continuing their efforts towards this end.

Of the company's shares, 47 per cent, are held by the directors and their families and 30 per cent, by institutions, banks and nominee companies.

Meeting, Sidcup, Kent, June 13 at 2.30 p.m.

Richards looks to second half

Turnover for the half year to March 31, 1978, of Richards increased from £3.19m to £6.07m, but profit fell from £383,000 to £304,000 subject to tax of £134,000 against £154,000.

Earnings are shown at 1.24p (1.4p) per 10p share and the interim dividend is 0.25p (0.22p) net. Last year's total was 1.035p and pre-tax profits were £288,000.

Mr. A. R. Robertson, the chairman, says the diversification into fancy, or specially constructed, yards for the knitwear industry received an enthusiastic initial reception and promises well for the future. In the meantime the penetration and development of new markets inevitably take time and cost a great deal of money. Trading profit was, therefore, affected and the company also lost over £23,000 of Regional Employment Premium which helped the first quarter of the previous year.

Stated earnings per 10p share are 18.3p (10.3p) and the final dividend is 2.815p net for a 4.335p (3.985p) total.

The group is a manufacturer of sliding door gear.

BANK OF SCOTLAND ANNUAL GENERAL MEETING

The 282nd Annual General Meeting of the Proprietors of the BANK OF SCOTLAND was held yesterday in the Head Office of the Bank in Edinburgh. The Right Hon. Lord Clydesdale, Governor of the Bank, presided.

The Governor referred to the statement, which was issued to the Proprietors along with the Report and Accounts, and added:

"A year ago I said that if the downward trend of interest rates were to continue, banking profits would be markedly affected. I derive no pleasure, I can assure you, from the fact that this did happen. During the financial year to 28th February last there were no less than 14 reductions in minimum lending rates and seven consequential reductions in our own rates. The latter was 11½% at the beginning of the year and 6½% at the end. In the face of such a massive drop, it is surprising that our earnings held up as well as they did. The increase of 1½% in minimum lending rate announced by the Chancellor in his Budget speech has, however, now triggered an upward movement in short term rates generally. The further rise of 1½% announced only four days ago can be expected to accentuate that trend.

I prepared my statement before the Budget and confined myself to saying that any concessions in the tax field would require to be very finely tuned. Although there may be disagreements about the way in which concessions have been allocated my reaction is one of relief that they do not in total represent a threat to continued control of the money supply. My criticism of Mr. Healey's package is that his proposals do not go far enough to lessen the impact of the higher rates of tax and restore incentive to those groups on whom so much of Britain's recovery must depend—entrepreneurs, senior management and the proprietors of family companies.

In other areas, the Budget should alleviate a number of problems. I am thinking of the help which changes in taxation should bring to farmers and small firms. These form very important parts of the Group's business and we would hope that the Chancellor's encouragement to these two sectors will bring about a progressive improvement in their performance in the future.

We in the Bank of Scotland are, of course, acutely concerned with the Scottish economy. Notwithstanding that we look for continuing growth in the profits of our subsidiaries and of our international operations, we are fully aware that the basis of the Group's prosperity still remains our domestic banking business. We draw our strength from the countless deposits that are garnered by our branch network and the multifarious advances, large and small, in which these deposits are deployed throughout the country. There is overwhelming evidence that we and our fellow Scottish clearing banks are still the mainstay of all commercial, industrial and agricultural activity in Scotland. That is, of course, a heavy responsibility but, without being complacent, I believe that we have carried it well and have kept faith with the nation. Certainly, within the Bank of Scotland, we are alive to the fact that our prosperity is affected by the fortunes of the Scottish economy so that, even taking a very self-interested view, whatever we do to foster growth and the development of new enterprises is bound to operate in the longer term to our own advantage. From quite selfish reasons alone, therefore, though we have many more creditable ones—we are eager to support private enterprise of any kind in Scotland and we need no exhortation to encourage us to do so. Indeed, I doubt if there has ever been a time when the Scottish banking community were more aware than they are to-day of the vital part they must play in the creation of a healthy economy.

Although, if one looks around, there are plenty of causes for gloom, yet it would be quite wrong not to see also the more hopeful side of things.

In the Bank, we have shared in a number of success stories in this past year and have seen our money put to work in the creation of new jobs and new products. I have no reason to think that the success stories of the next twelve months will be any fewer in number and I sincerely hope that we shall in fact see more.

Lord Inchyra proposed the adoption of the audited accounts for the year ended 28th February 1978 and the Directors' report. The motion was carried.

The Governor moved that a final dividend on the capital stock of the Bank be declared at the rate of 5.44p per £1 of stock and that 2p be paid on 22nd May 1978 to Proprietors on the register at close of business on 28th April 1978.

The motion was carried.

The Right Hon. Lord Clydesdale, K.T., C.B., M.B.E., T.D., L.L.D., D.Sc., The Right Hon. Lord Balfour of Burleigh, C.Eng., F.I.E.E., F.R.S., N. Risk, B.L., were unanimously elected Governor and Deputy Governors all for the current year.

Mr. J. A. Lumsden, M.B.E., T.D., D.L., The Right Hon. Lord Polwarth, T.D., D.L., L.L.D., D.Litt., D.Univ., C.A., Mr. M. F. Strachan, M.B.E., M.A., and Mr. C. F. J. Younger, D.S.O., T.D., who retired by rotation, were re-elected as Directors. In the course of his remarks, the Governor paid tribute to Sir Alastair Blair, K.C.V.O., T.D., who retired on having attained the age of 70.

A proposal that the remuneration of members of the Board should be increased by 10% to £2,750 was duly carried.

AUDITORS

Messrs. Arthur Young McClelland Moores & Company, Chartered Accountants, Edinburgh, and Messrs. Graham, Rintoul and Company, Chartered Accountants, Glasgow, were re-appointed as auditors.

NOTE OF THANKS

A vote of thanks to the Governor was proposed by Mr. Kenneth Ryden, Master of the Merchant Company of Edinburgh.

Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 10th May 1978 its Base Rate for advances is increased from 7½% to 9% per annum.

Interest on deposits at 7 days' notice is increased from 4% to 6% per annum.

WILLIAMS & GLYN'S BANK LTD

Demand down at Aberthaw

ALTHOUGH IT WAS anticipated that home trade deliveries of cement in 1978 would be about the same as the previous year, the first quarter has revealed deliveries below the same period of 1977.

This reflects the adverse weather conditions in February, Sir Maynard Jenour, the chairman of Aberthaw and Bristol Channel Portland Cement Company, says in his annual statement. He says that although it will not be easy it is hoped the company will make up this shortfall in the remainder of the year.

Overall it is expected profits for 1978 will be below last year's peak of £1.5m, pre-tax figure.

Sir Maynard points out that the price of natural gas has been substantially increased and is considerably above the equivalent price of coal. He says it is not known if any further cement price increases will be allowed this year, and adds that any increase would be unlikely to be sufficient to offset the much higher production cost.

Aberthaw is currently negotiating to convert to coal, and the cost of conversion will be met from internal sources and medium term bank loan.

It is hoped that the group will benefit from increased profits in 1979 providing the negotiations to convert to coal prove successful. The chairman says that further

quantities of cement clinker have been exported in the current year, but adds that competition remains severe and it is uncertain whether any further contracts will be obtained.

Work continues on new project development but he says it is still too early to forecast whether a product can be made which will be commercially viable.

A current cost statement with accounts shows the 1977 pre-tax profit reduced to £1.1m, (£1.6m.) by a £0.5m. (£0.4m.) cost of sales adjustment, and additional depreciation of £0.5m. (£0.5m.) offset by a £0.5m. (£0.7m.) gearing adjustment.

Meeting, Cardiff, June 2 at 12.30 p.m.

WIGHAM POLAND

The Wigham Poland Group has changed the name of two of its subsidiaries in the life and pensions division, better to reflect the changed nature of their operations.

Wigham Poland Pensions Brokers becomes Wigham Poland Pensions Brokers, and Wigham Poland Financial Services is now Wigham Poland Assurance Consultants.

A new company has also been formed within the division, Wigham Poland Trustees, which offers full corporate trustee facilities for all pension arrangements.

Bank of Ireland at £43m. —finance house deal

Bank of Ireland yesterday announced the purchase of British Credit Trust, a finance house, from Northern Foods for £43m. and at the same time unveiled pre-tax profits for 1977 showing an increase from £32.5m. to £42.8m.

British Credit Trust provides instalment credit finance for motor vehicles and other consumer durables as well as offering leasing and banking services through 26 U.K. branches. It made pre-tax profits of £1.5m. in the year ended September 30, 1977.

The attraction of BCT for Bank of Ireland is that it balances the bank's existing finance house business in England. Bank of Ireland Finance (U.K.) currently specialises in finance for industry whereas BCT's emphasis is on the consumer side.

Mr. John Bourke, Bank of Ireland's chief financial officer, said yesterday that the bank wanted to offer a complete service. Admitting that the latest upturn in interest rates made finance houses less attractive propositions, he said, "We do try to think medium- to long-term."

He said that finance business was very stable and all the banks now took it very seriously. American banks had recently been trying to increase their U.K. instalment credit sides since the market here had considerable scope for further growth.

The traumatic experience of 1974 convinced Northern Foods that BCT should be under the wing of a bank rather than a dairy-to-biscuits group. Since that time BCT has recovered substantially and Northern Foods has been able to obtain a much better price for the company than it

would have previously.

On Monday Northern Foods announced the agreed takeover of Pork Farms, the meat products company, which could involve a cash outlay of £10m. to £20m. Mr. Nicholas Horsley, chairman of Northern Foods, said yesterday that the proceeds from the BCT sale would keep his company liquid enough to invest freely where opportunities arose.

The consideration for the sale consists of £3,410,833 capital stock of Bank of Ireland which is to be placed in the U.K. and Ireland. Additionally, Northern Foods has received an £800,000 interim dividend.

The bank's earnings for 1977 are shown at 74.2p (57.8p) basic per £1 of stock and 67.8p (51.7p) fully diluted. The final dividend is 10p net for a 15p total compared with an adjusted 11.25p for 1976. To reduce disparity with the final interim for 1978-79 will be 6.5p.

1977-78 1976-77

Operating profit	£280,000	£250,000
Bank	£280,000	£250,000
Subsidiaries	£2,000	£2,000
Additional provision	£1,500	£1,500
Profit before tax	£283,500	£253,500
Tax	£17,228	£12,368
Net profit	£266,272	£241,132
To minorities	£50	£50
Attributable	£266,222	£241,082
Dividends	£386,379	£386,379
Retained	£265,846	£240,703

The balance sheet shows fixed assets at £73.57m. (£59.91m.), liquid assets and investments at £94.5m. (£74.4m.), advances less provisions of £1,070m. (£0.9m.), and deposits, current and other accounts of £1.95m. (£1.39m.).

Inflation adjusted accounts give pre-tax profits of £28.5m. (£29.94m.).

Adjustment has been made to reflect the actual realised and unrealised profits and losses experienced during the year.

British Northrop pays 6p

DESPITE A second half downturn in turnover from £1.81m. to £1.35m. British Northrop held on to the greater part of its £205,000 mid-year profit gain and finished 1977 with a taxable figure some £155,000 ahead at £500,807. The company is re-entering the dividend list with a payment of 6p.

At midway when reporting a profit of £375,000 (£164,000) the directors said that the group had a healthy order book and they were confident that profits for the year would exceed those for 1976.

They now say that world-wide economic conditions have made trading difficult, particularly over the second half, and while this situation has continued into the first quarter of 1978, the company's operations are nevertheless being maintained at a profitable level.

Stated earnings per 50p share were 26.6p (17.7p). Turnover for the year totalled £3.46m. (£3.58m.). Profit was struck after interest of £178,154 (£144,688) but before tax on property income of £37,853 (£37,377). Comparative figures have been restated.

Fairbairn Lawson Group

ENGINEERING, PACKAGING AND OFFICE FURNITURE

Record profit—up 25% to £1.34m

	Year to 31.12.77	Year to 30.12.76	% Increase
Turnover	£'000	£'000	
Pre-tax Profit	13,389	12,740	+ 5%
Taxation	1,342	1,075	+ 25%
Attributable profit	205	135	+ 52%
Dividends—Ordinary shares	1,133	509	+ 25%
	3.65p	2.03p	+ 80%

1976 figures restated to reflect capitalization issue and change of accounting policy in respect of deferred taxation.

Points by Sir John Lawson, Chairman:

- * Main 1977 objectives—to increase profitability, broaden capital base and improve dividend—accomplished.
- * Search continues for appropriate acquisition opportunities.
- * Company well placed to make further progress and reiterates forecast of 5p net dividends this year.
- * Realistic growth targets set for turnover and profits.



Copies of the Report and Accounts available from the Secretary, Fairbairn Lawson Limited, P.O. Box 32, Wellington House, Leeds LS1 1JL

Medical Sickness Annuity

The Medical Sickness Annuity and Life Assurance Society last year increased its holding of gilt to take advantage of the high yields available, thereby increasing the overall yield on funds to 10.6 per cent. from 9.9 per cent. This is revealed by Dr. T. C. Hunt in his chairman's statement accompanying the annual report and accounts for 1977.

The Society also continued to invest in property and has financed a storage building and drainage works on the farm in which it first ventured into agricultural holdings. Dr. Hunt believes that institutional investment in farmland by supporting farmers can be of benefit to both parties.

The accounts for 1977 of the Society show that premium income increased by 15 per cent. to £5m. and investment income by 17 per cent. to £3.7m. Claims, expenses and taxation totalled £5.5m.—£0.5m. higher than in 1976—so that the long-term fund at the end of the year stood at £37.5m. against £34m. at the beginning.

Dr. Hunt reports that the subsidiary, Permanent Insurance, had

another successful year, with new premium income up by 36 per cent. over 1976. This company has now started to pay dividends to the Society, an amount of £30,000 gross—a dividend of 15 per cent.—being paid for 1977.

The other subsidiary, Medical Sickness Finance Corporation, continued to help doctors and dental surgeons with finance for the purchase not only of cars and equipment, but also other items such as caravans and boats. During 1977 a total amount of £1.75m. was advanced under 1,063 agreements, with 83 per cent. of the sums advanced being covered under the life assurance scheme arranged by the Society. The Corporation continues to be a profitable investment.

ASSOCIATES DEALS

J. Henry Schroder Wagg on May 8 sold 417 Wheatstone Distribution and Trading Ordinary shares at 190p on behalf of associates.

Laurie Mibank sold 34,808 Northern Foods at 22p on behalf of discretionary investment clients.

Announcement of 1977 Dividend

The Shareholders of the Bank of Credit and Commerce International S.A. at their extraordinary meeting held in Luxembourg on Monday, 17th April, 1978 declared a cash Dividend of 10% for the year 1977, payable out of retained earnings for the year, to all Shareholders registered with the Bank as on 23rd December, 1977.



BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A.
HEAD OFFICE: 39 Boulevard Royal, Luxembourg.

LTV International, N.V.

5% Guaranteed (Subordinated) Debentures Due 1988
(Guaranteed on a Subordinated Basis by and Convertible on and after February 1, 1969 into Common Stock of The LTV Corporation.)

Notice of Adjustment of Conversion Price

NOTICE IS HEREBY GIVEN that the price for conversion of the above-mentioned Debentures into Common Stock of The LTV Corporation was adjusted as of February 18, 1978 from \$66.32 to \$54.40 per share of Common Stock.

THE LTV CORPORATION

May 10, 1978

Lyon & Lyon

Highlights from the Review of the Chairman
Mr. Michael Lyon

- * Pre-tax profit for 1977 £635,526 on sales of £6,174,699, another record year.
- * Final dividend of 3.5p, making a total of 6.0p (2.26p).
- * Earnings per share 12.90p (12.47p).
- * The programme to develop the vehicle distribution, road transport, shipbuilding, and ship repairing components of the Group continues.
- * Acquisition of a compatible business within the context of the present size and nature of the Group is under constant examination.

Copies of the Report and Accounts are available from the Secretary.

Lyon & Lyon Limited
Harker House, Knottingley, West Yorkshire, WF11 8DD

FORD MAIN DEALERS - VEHICLE REPAIR SPECIALISTS - ROAD HAULAGE CONTRACTORS - TANK CRAFT OPERATORS - SHIPBUILDERS AND REPAIRERS

In corporate finance: there's nothing more personal than the decisions you make

The ultimate decision in any organisation must rest on you and your colleagues, as people. At Bankers Trust in London we have one man to help you. Plus 700 more to back him up. The Pyramid is the symbol of Bankers Trust Company, one of the world's largest banks, with a solid tradition in the world of corporate finance.

We have a high proportion of skilled personnel working on direct client contact.

This means we can afford to devote a great deal of time and trouble to studying the needs of those corporations with which we work. And we work with a great many of the companies in The Times 1000. This close co-operation would not have been possible without the knowledge we have acquired in over 50 years of continuous operation in this country.

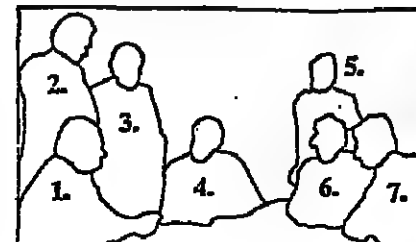
We have the intuition, ability and flair needed to suggest ways to handle business matters that straddle

the globe. We cut across international boundaries because we are part of a worldwide network. We are active 24 hours a day. We have one of the most active and professional foreign exchange operations anywhere and a Foreign Exchange Customer Advisory Group which is always available to help you with your decisions.

We give you the edge, the manoeuvrability you need, whether it be in connection with short and medium term finance, ECGD backed and other export financing, documentary credits, commodity deals, international insurance, corporate trust, pension fund management, loan syndication, or project finance. We act fast.

Indeed, wherever you encounter the Bankers Trust Pyramid, you're dealing with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money anywhere in the world.

1. Ian Donaldson, V.P. in charge of Commodities Group.
2. Esme Howard, V.P. in charge of International Insurance Group.
3. Gordon Thomas, V.P. in charge of Financial Service Group.
4. Peter Denbow, V.P. in charge of United Kingdom Lending.
5. Allan J. Kerr, V.P. in charge of London and South of England Group.
6. Stuart E. Reider, V.P. in charge of International Group.
7. Donald R. Carse, V.P. in charge of Energy Group.



Bankers Trust Company

9 Queen Victoria Street, London EC4P 4DB
Telephone: 01-236 5030 Telex: 888191/2

Headquarters: New York. In the United Kingdom, branches in London and Birmingham and a representative office in Manchester. Other branches: Milan, Paris, Bahrain, Tokyo, Singapore, Nassau and Panama City. An International Banking Network of branches, subsidiaries, affiliates and representative offices in over 30 countries on six continents.

BIDS AND DEALS

Scottish TUC joins battle

The Scottish TUC has written to Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, urging him to refer the Lomro's takeover bid for Scottish and Universal Investments to the Monopolies Commission.

Mr. Jimmy Milne, general secretary of the Scottish TUC, said that the unions were extremely concerned about the serious consequences a takeover would have for Scottish employment. He added that the TUC was writing to the Secretary of State to urge that the bid should be referred to the Monopolies Commission either today or to-morrow.

Meanwhile, Lomro at the request of that Takeover Panel has revealed that its stake in SUITS has been increased to 40.04 per cent. Given that Lomro already held 29.54 per cent of SUITS before the offer and that it has subsequently received provisional acceptance from the Fraser family trusts representing around 9 per cent, this response looks poor.

However, Lomro is being coy about whether the 40.04 per cent figure includes the Fraser family stake. No doubt Lomro is hoping that a number of institutional and shareholders are holding fire until Mr. Hattersley's statement.

Mr. Hattersley said that the executive of Lomro, has sent a

BACKING FOR TEXTILE WALLCOVERINGS

A syndicate of institutions led by Charterhouse Development Capital has paid £3.1m. for a substantial minority holding in Textile Wallcoverings International, a manufacturer and wholesaler of textured wallcoverings. At the same time Textile has acquired B. Brown (Holborn), a related business with complementary activities.

Charterhouse formed the syndicate and has invested £3,000,000. Its partners are British Rail Pension Funds (£1m.), Electric Investment Trust (£750,000), Charterhouse Development (£250,000), Industrial and Commercial Finance Corporation (£250,000) and Estate Duties Investment Trust (£100,000).

Textile is said to hold a dominant position in the U.K. in the distribution of textured wallcoverings and in the manufacture of textile wallcoverings, particularly Murawave hessians, much of which is exported. The company was formed in 1974. Pre-tax profits are expected to be approximately £7m. for the year ended April 1978.

MINING NEWS

Getty joins Phelps in molybdenum venture

BY PAUL CHEESBRIGHT

GETTY OIL is entering a joint venture with Phelps Dodge to evaluate and possibly to develop what appears to be a significant molybdenum deposit near Pine Grove in southern Utah.

The announcement yesterday underlines the tendency of major mining groups to link with cash-rich oil concerns in the development of natural resource projects.

The joint venture brings obvious advantages to both the U.S. groups. Getty Oil is diversifying into a mineral which has seen a consistent rise in price and growth in demand, although more slowly in the years of international recession.

Phelps Dodge, on the other hand, with an income founded on copper, has seen profits eroded by the depression, on the international markets and a downturn in demand. In the first quarter, net earnings were \$5.6m. (\$3.0m.) compared with \$9.2m. in the 1977 first quarter.

A link between the two marries cash with technical expertise. Although the returns are not likely to be seen for some time, the announcement from New York said that the agreement would take place over several years.

Phelps Dodge first announced molybdenum discovery in January. The first four diamond drill holes intersected lengths of mineralisation between 3,000 and 5,000 feet. The holes formed a square with sides of 800 feet.

If the mineralisation is continuous, substantial quantities of ore ranging from 0.25 per cent to 0.38 per cent molybdenum, depending on the cut-off grade, are present, the company said at the time.

Since that time Newmont Mining and Esso Minerals have disclosed what could be commercial quantities of molybdenum deposit in British Columbia. The property, held 55 per cent by Newmont and 45 per cent by Esso, is at Trout Lake, about 35

miles from Revelstoke, and has been under investigation since 1976. The deepest hole yet drilled, according to Canadian reports, has proved so far to be the richest. Mineralisation 1,800 feet under the surface occurred in an intersection averaging 0.400 per cent molybdenum over a length of 890 feet.

Other holes have apparently yielded grades which would mean the discovery of a commercial deposit.

This find, added to that of Phelps in Utah and that of US Borax and Chemical, a subsidiary of Rio, in Arizona, in Alaska, could provide the basis of a considerable expansion in North American molybdenum capacity which, hitherto, has been based largely on the operations of Amx and the by-products of copper mines.

Research has continued to find new applications for molybdenum and growth in demand is expected to run at between 6 and 7 per cent a year.

Roxby Downs gold find

GOLD HAS been found at the Roxby Downs copper-uranium project, about 100 miles west of Western Mining, but details provided in the group's latest quarterly report do not suggest that, at this stage, the find can be considered of commercial significance.

Roxby Downs is in South Australia, and analysis of diamond drill holes showed that the interval from 422 metres to 435 metres assayed 13.4 grammes gold per tonne, 2 per cent copper and 0.57 per cent uranium.

This is the first occasion when significant gold values have been encountered at the Olympic Dam prospect on Roxby Downs, Western Mining stated. Drilling was suspended towards the end of the quarter to April 4, but is expected to start again in the current quarter.

In respect of 2,537,408 "A" Deferred shares and 2,537,408 new Ordinary shares (89.73 per cent of the shares of BAC class). The offer remains open.

The subsidiary has also acquired all of the Deferred shares of Radiane.

LAIC OFFER

Colonial Mutual Life Assurance has extended the date of its offer for the London-based London Assurance Corporation, from May 13 to June 15 and reduced its desired level of acceptance from 90 per cent to 60 per cent.

By May 2 CML had received acceptances from 41.43 per cent. The offer price remains £41.57 (equivalent to 144p) with the benefit of the investment currency premium, or 97p without).

SHARE STAKES

Palting Electronic and Associated Industries on May 2 increased shareholding in Redifusion to 7,518,000 shares (over 9 per cent).

Farnell to maintain growth

The directors have every confidence in the future of Farnell Electronics, which gives a comfortable level of economic stability is certain to maintain its record of continued growth.

As reported on April 26, taxable profit for the year to January 31, 1978, surged from £1,970m. to £3,143m. to £3,212m.

Mr. C. Farnell, chairman, reports that C. Farnell's extremely difficult year and this resulted in turnover not coming up to expectations.

Farnell Electronics Components, continuing to contribute the lion's share of group profits, once again achieved record results. In its first complete year, produced satisfactory results, both turnover and profit being well in excess of budget.

The investment in Tandberg's Radiolab 222, amounting to over £44,000 has been written off following its takeover by the Norwegian Government after last year's heavy losses. This was not a loss for Farnell, as the company's outstanding indebtedness to the group has been accepted by the Norwegian Government and continues to be paid within the terms of the original agreement.

As it was not possible to find a practical solution to the problem which had beset Farnell-KF over the past years, the directors decided to cease production on January 31, 1978, and use the realisable funds to add group liquidity.

EUROPEAN OPTIONS EXCHANGE

Option	Price	Close	July	Close	Oct.	Close	Jan.	Close	Equity
B. Kodak	840	12 1/2	—	12 1/2	—	12 1/2	—	12 1/2	511 1/2
E. Kodak	845	7 1/2	—	7 1/2	—	7 1/2	—	7 1/2	—
G. Kodak	850	2 1/2	—	2 1/2	—	2 1/2	—	2 1/2	—
H. Kodak	855	1 1/2	—	1 1/2	—	1 1/2	—	1 1/2	—
I. Kodak	860	1/2	—	1/2	—	1/2	—	1/2	—
J. Kodak	865	—	—	—	—	—	—	—	—
K. Kodak	870	—	—	—	—	—	—	—	—
L. Kodak	875	—	—	—	—	—	—	—	—
M. Kodak	880	—	—	—	—	—	—	—	—
N. Kodak	885	—	—	—	—	—	—	—	—
O. Kodak	890	—	—	—	—	—	—	—	—
P. Kodak	895	—	—	—	—	—	—	—	—
Q. Kodak	900	—	—	—	—	—	—	—	—
R. Kodak	905	—	—	—	—	—	—	—	—
S. Kodak	910	—	—	—	—	—	—	—	—
T. Kodak	915	—	—	—	—	—	—	—	—
U. Kodak	920	—	—	—	—	—	—	—	—
V. Kodak	925	—	—	—	—	—	—	—	—
W. Kodak	930	—	—	—	—	—	—	—	—
X. Kodak	935	—	—	—	—	—	—	—	—
Y. Kodak	940	—	—	—	—	—	—	—	—
Z. Kodak	945	—	—	—	—	—	—	—	—

May August November

BP 700p 750p 800p 850p 900p 950p 1000p 1050p 1100p 1150p 1200p 1250p 1300p 1350p 1400p 1450p 1500p 1550p 1600p 1650p 1700p 1750p 1800p 1850p 1900p 1950p 2000p 2050p 2100p 2150p 2200p 2250p 2300p 2350p 2400p 2450p 2500p 2550p 2600p 2650p 2700p 2750p 2800p 2850p 2900p 2950p 3000p 3050p 3100p 3150p 3200p 3250p 3300p 3350p 3400p 3450p 3500p 3550p 3600p 3650p 3700p 3750p 3800p 3850p 3900p 3950p 4000p 4050p 4100p 4150p 4200p 4250p 4300p 4350p 4400p 4450p 4500p 4550p 4600p 4650p 4700p 4750p 4800p 4850p 4900p 4950p 5000p 5050p 5100p 5150p 5200p 5250p 5300p 5350p 5400p 5450p 5500p 5550p 5600p 5650p 5700p 5750p 5800p 5850p 5900p 5950p 6000p 6050p 6100p 6150p 6200p 6250p 6300p 6350p 6400p 6450p 6500p 6550p 6600p 6650p 6700p 6750p 6800p 6850p 6900p 6950p 7000p 7050p 7100p 7150p 7200p 7250p 7300p 7350p 7400p 7450p 7500p 7550p 7600p 7650p 7700p 7750p 7800p 7850p 7900p 7950p 8000p 8050p 8100p 8150p 8200p 8250p 8300p 8350p 8400p 8450p 8500p 8550p 8600p 8650p 8700p 8750p 8800p 8850p 8900p 8950p 9000p 9050p 9100p 9150p 9200p 9250p 9300p 9350p 9400p 9450p 9500p 9550p 9600p 9650p 9700p 9750p 9800p 9850p 9900p 9950p 10000p 10050p 10100p 10150p 10200p 10250p 10300p 10350p 10400p 10450p 10500p 10550p 10600p 10650p 10700p 10750p 10800p 10850p 10900p 10950p 11000p 11050p 11100p 11150p 11200p 11250p 11300p 11350p 11400p 11450p 11500p 11550p 11600p 11650p 11700p 11750p 11800p 11850p 11900p 11950p 12000p 12050p 12100p 12150p 12200p 12250p 12300p 12350p 12400p 12450p 12500p 12550p 12600p 12650p 12700p 12750p 12800p 12850p 12900p 12950p 13000p 13050p 13100p 13150p 13200p 13250p 13300p 13350p 13400p 13450p 13500p 13550p 13600p 13650p 13700p 13750p 13800p 13850p 13900p 13950p 14000p 14050p 14100p 14150p 14200p 14250p 14300p 14350p 14400p 14450p 14500p 14550p 14600p 14650p 14700p 14750p 14800p 14850p 14900p 14950p 15000p 15050p 15100p 15150p 15200p 15250p 15300p 15350p 15400p 15450p 15500p 15550p 15600p 15650p 15700p 15750p 15800p 15850p 15900p 15950p 16000p 16050p 16100p 16150p 16200p 16250p 16300p 16350p 16400p 16450p 16500p 16550p 16600p 16650p 16700p 16750p 16800p 16850p 16900p 16950p 17000p 17050p 17100p 17150p 17200p 17250p 17300p 17350p 17400p 17450p 17500p 17550p 17600p 17650p 17700p 17750p 17800p 17850p 17900p 17950p 18000p 18050p 18100p 18150p 18200p 18250p 18300p 18350p 18400p 18450p 18500p 18550p 18600p 18650p 18700p 18750p 18800p 18850p 18900p 18950p 19000p 19050p 19100p 19150p 19200p 19250p 19300p 19350p 19400p 19450p 19500p 19550p 19600p 19650p 19700p 19750p 19800p 19850p 19900p 19950p 20000p 20050p 20100p 20150p 20200p 20250p 20300p 20350p 20400p 20450p 20500p 20550p 20600p 20650p 20700p 20750p 20800p 20850p 20900p 20950p 21000p 21050p 21100p 21150p 21200p 21250p 21300p 21350p 21400p 21450p 21500p 21550p 21600p 21650p 21700p 21750p 21800p 21850p 21900p 21950p 22000p 22050p 22100p 22150p 22200p 22250p 22300p 22350p 22400p 22450p 22500p 22550p 22600p 22650p 22700p 22750p 22800p 22850p 22900p 22950p 23000p 23050p 23100p 23150p 23200p 23250p 23300p 23350p 23400p 23450p 23500p 23550p 23600p 23650p 23700p 23750p 23800p 23850p 23900p 23950p 24000p 24050p 24100p 24150p 24200p 24250p 24300p 24350p 24400p 24450p 24500p 24550p 24600p 24650p 24700p 24750p 24800p 24850p 24900p 24950p 25000p 25050p 25100p 25150p 25200p 25250p 25300p 25350p 25400p 25450p 25500p 25550p 25600p 25650p 25700p 25750p 25800p 25850p 25900p 25950p 26000p 26050p 26100p 26150p 26200p 26250p 26300p 26350p 26400p 26450p 26500p 26550p 26600p 26650p 26700p 26750p 26800p 26850p 26900p 26950p 27000p 27050p 27100p 27150p 27200p 27250p 27300p 27350p 27400p 27450p 27500p 27550p 27600p 27650p 27700p 27750p 27800p 27850p 27900p 27950p 28000p 28050p 28100p 28150p 28200p 28250p 28300p 28350p 28400p 28450p 28500p 28550p 28600p 28650p 28700p 28750p 28800p 28850p 28900p 28950p 29000p 29050p 29100p 29150p 29200p 29250p 29300p 29350p 29400p 29450p 29500p 29550p 29600p 29650p 29700p 29750p 29800p 29850p 29900p 29950p 30000p 30050p 30100p 30150p 30200p 30250p 30300p 30350p 30400p 30450p 30500p 30550p 30600p 30650p 30700p 30750p 30800p 30850p 30900p 30950p 31000p 31050p 31100p 31150p 31200p 31250p 31300p 31350p 31400p 31450p 31500p 31550p 31600p 31650p 31700p 31750p 31800p 31850p 31900p 31950p 32000p 32050p 32100p 32150p 32200p 32250p 32300p 32350p 32400p 32450p 32500p 32550p 32600p 32650p 32700p 32750p 32800p 32850p 32900p 32950p 33000p 33050p 33100p 33150p 33200p 33250p 33300p 33350p 33400p 33450p 33500p 33550p 33600p 33650p 33700p 33750p 33800p 33850p 33900p 33950p 34000p 34050p 34100p 34150p 34200p 34250p 34300p 34350p 34400p 34450p 34500p 34550p 34600p 34650p 34700p 34750p 34800p 34850p 34900p 34950p 35000p 35050p 35100p 35150p 35200p 35250p 35300p 35350p 35400p 35450p 35500p 35550p 35600p 35650p 35700p 35750p 35800p 35850p 35900p 35950p 36000p 36050p 36100p 36150p 36200p 36250p 36300p 36350p 36400p 36450p 36500p 36550p 36600p 36650p 36700p 36750p 36800p 36850p 36900p 36950p 37000p 37050p 37100p 37150p 37200p 37250p 37300p 37350p 37400p 37450p 37500p 37550p 37600p 37650p 37700p 37750p 37800p 37850p 37900p 37950p 38000p 38050p 38100p 38150p 38200p 38250p 38300p 38350p 38400p 38450p 38500p 38550p 38600p 38650p 38700p 38750p 38800p 38850p 38900p 38950p 39000p 39050p 39100p 39150p 39200p 39250p 39300p 39350p 39400p 39450p 39500p 39550p 39600p 39650p 39700p 39750p 39800p 39850p 39900p 39950p 40000p 40050p 40100p 40150p 40200p 40250p 40300p 40350p 40400p 40450p 40500p 40550p 40600p 40650p 40700p 40750p 40800p 40850p 40900p 40950p 41000p 41050p 41100p 41150p 41200p 41250p 41300p 41350p 41400p 41450p 41500p 41550p 41600p 41650p 41700p 41750p 41800p 41850p 41900p 41950p 42000p 42050p 42100p 42150p 42200p 42250p 42300p 42350p 42400p 42450p 42500p 42550p 42600p 42650p 42700p 42750p 42800p 42850p 42900p 42950p 43000p 43050p 43100p 43150p 43200p 43250p 43300p 43350p 43400p 43450p 43500p 43550p 43600p 43650p 43700p 43750p 43800p 43850p 43900p 43950p 44000p 44050p 44100p 44150p 44200p 44250p 44300p 44350p 44400p 44450p 44500p 44550p 44600p 44650p 44700p 44750p 44800p 44850p 44900p 44950p 45000p 45050p 45100p 45150p 45200p 45250p 45300p 45350p 45400p 45450p 45500p 45550p 45600p 45650p 45700p 45750p 45800p 45850p 45900p 45950p 46000p 46050p 46100p 46150p 46200p 46250p 46300p 46350p 46400p 46450p 46500p 46550p 46600p 46650p 46700p 46750p 46800p 46850p 46900p 46950p 47000p 47050p 47100p 47150p 47200p 47250p 47300p 47350p 47400p 47450p 47500p 47550p 47600p 47650p 47700p 47750p 47800p 47850p 47900p 47950p 48000p 48050p 48100p 48150p 48200p 48250p 48300p 48350p 48400p 48450p 48500p 48550p 48600p 48650p 48700p 48750p 48800p 48850p 48900p 48950p 49000p 49050p 49100p 49150p 49200p 49250p 49300p 49350p 49400p 49450p 49500p 49550p 49600p 49650p 49700p 49750p 49800p 49850p 49900p 49950p 50000p 50050p 50100p 50150p 50200p 50250p 50300p 50350p 50400p 50450p 50500p 50550p 50600p 50650p 50700p 50750p 50800p 50850p 50900p 50950p 51000p 51050p 51100p 51150p 51200p 51250p 51300p 51350p 51400p 51450p 51500p 51550p 51600p 51650p 51700p 51750p 51800p 51850p 51900p 51950p 52000p 52050p 52100p 52150p 52200p 52250p 52300p 52350p 52400p 52450p 52500p 52550p 52600p 52650p 52700p 52750p 52800p 52850p 52

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

U.S. charges Gulf with membership of uranium cartel

BY STEWART FLEMING

NEW YORK, May 9.

THE U.S. Government has charged Gulf Oil with conspiring with other uranium producers to fix the prices at which the companies sold uranium to U.S. middlemen.

The charges follow a protracted grand jury investigation of the activities of the alleged international uranium cartel of which Gulf was a member. The complaint filed in a criminal information suit alleges a misdemeanor. If Gulf were to be found guilty it would thus be liable for a maximum fine of \$50,000.

While this penalty might not be a heavy burden for a company the size of Gulf, which is the fifth largest U.S. oil company, the Justice Department's charges are only a part of the complex mosaic of lawsuits arising out of the uranium cartel's operations.

Thus in deciding what action to take now, Gulf has to be conscious of the implications of a judgment in this case for the other suits it is fighting.

These suits include one in which Westinghouse Electric, a leading producer of nuclear generators, sued Gulf and 25 other domestic and foreign uranium producers and their agents claiming that they had conspired to fix the price of uranium, causing it to rise from around \$12 a pound in 1972 to over \$40 a pound in 1976, an increase which brought Westinghouse face to face with losses of hundreds of millions of dollars.

Westinghouse subsequently cancelled contracts to supply uranium saying it could not meet these obligations and is in turn being sued by its customers.

The Justice Department suit against Gulf alleges that the company conspired with other unnamed uranium producers to sell only at discriminatory high prices and to refuse to sell to Westinghouse Electric, one of the U.S. middlemen purchasing uranium for resale and include manufacturers of nuclear reactors.

Responding to the charges, Gulf said that "the Government's decision to single out Gulf for prosecution when its Canadian subsidiary could not and did not act alone with respect to the foreign marketing arrangement, and indeed because involved only as a result of Canadian Government direction, is unjustified."

It argued that "all of its activities were in accord with the national uranium policy of Canada and the U.S. market was explicitly excluded from the arrangement," adding "under such circumstances we feel it is inappropriate to challenge the activities of Gulf even on a limited basis."

It claimed that the charges were "completely unfounded." Allegations about the operation of an international uranium cartel forcing up the price of the fuel have been under investigation by the grand jury for 18 months. The evidence which surfaced about the cartel has suggested that the Government's case is based on a number of false premises, together with leading producers such as Rio Tinto Zinc of the U.K., supported the establishment of a uranium producers' club or cartel.

Ford faces recall order

BY OUR OWN CORRESPONDENT

NEW YORK, May 9.

FORD Motor Company may be ordered by the Government to recall 1,831 of its small Ford Pinto and Mercury Bobcat cars following a preliminary study indicating that in a crash they may be prone to fuel spillage and fires.

This conclusion by the Department of Transportation's National Highway Traffic Safety Administration was conceded by Ford yesterday to be "quite serious" but further comment is being withheld until the company has studied the findings in detail.

The Safety Administration said that tests had revealed that a "low to moderate" rear-end crash on the Pinto caused a "massive" leak from the puncturing of the fuel tank. Two fires were also reported from rear-end crashes involving vehicles travelling at 35 miles an hour.

The agency said that Pintos and Bobcats have been the subjects of 29 lawsuits or liability claims against Ford. In addition reports have been received of 38 rear-end accidents involving Pintos which have resulted in fires causing 27 fatalities and 24 cases of non-fatal burn injuries.

Firestone firm on closure

BY OUR OWN CORRESPONDENT

AKRON, May 9.

FIRESTONE Tire and Rubber has told its Swiss subsidiary that it will not revoke its decision to close its Swiss tyre-making operations.

The company had announced its intentions to close the Swiss plant in March, but agreed to meet with representatives of the Swiss Canton of Basle last month to explore the possibility of avoiding the plant's closure.

Goodyear Tire and Rubber said, meanwhile, that it began a \$5.5m. expansion of its tyre wire plant in Colmar-Berg, Luxembourg, to increase production of its radial truck tyres sold in Europe.

AP-DJ

Canadian Vickers talks end

MONTREAL, May 9. CANADIAN Vickers has asked the Toronto and Montreal stock exchanges to lift a trading halt in its shares following termination of acquisition talks between British-based Vickers, which owns 72 per cent of the Canadian company and an unidentified group.

"Discussions have taken place and it is the decision of Vickers (in the U.K.) not to proceed," Canadian Vickers said.

AP-DJ

Genesco reduces loss

Sharply reduced losses for the third quarter are reported by Genesco, the clothing and shoes combine, with a loss of \$253,000 this time going against the \$12.5m. loss in the same period a year ago. At that time, a loss from discontinued operations of \$877,000 brought the final net loss to \$13.1m.

For the third period of this year the company reports that sales from continuing operations are ahead some 3 per cent at \$243.5m.

Raymond slips

Raymond International, the heavy construction concern, turns in lower first quarter profit at \$4.1m. (or 78 cents a share) against \$5.4m. or \$1.28 a share on sales ahead by over 100 per cent at \$114m. However, average shares in issue have risen to 8.2m. from 4.5m., agencies report from New York.

Petrolane ahead

PETROLANE REPORTS a 14 per cent increase in net income for the six months to March 31, at \$26.1m. or \$2.21 per share on a fully-diluted basis, against \$22.9m. or \$1.94 per share, a year earlier. Revenue in the six months was \$485m., a rise of 11 per cent. Agencies report from Long Beach.

Second quarter net income was a record quarterly high, up 9 per cent to \$13.7m. or \$1.16 a share fully diluted against \$1.06 per share a year ago. Second quarter revenue was \$254.5m., up 8 per cent on the previous year.

LTV's merger talks

LTV has requested a meeting with the Justice Department to discuss further its proposal to merge with Lykes. The meeting is scheduled for May 24, AP-DJ reports from Washington. Last week, LTV officials had expected that the Justice Department would announce a merger decision soon—possibly this week.

Lockheed hopes

MR. ROY ANDERSON, chairman of Lockheed Corporation, said the company hopes to resume dividends reasonably soon but set no specific time for the resumption. Reuter reports from Burbank. Lockheed has not paid cash dividends since 1969.

He added that Lockheed may begin production later this year of its Dash 400 commercial plane—a shorter, more economical version of the TriStar L-1011. If production does begin, it could cause a drain on earnings next year.

WHEN one of the largest U.S. real estate investment trusts (REIT), Chase Manhattan Mortgage and Realty, defaulted on its obligations on May 1, it caused surprise in some areas.

The crisis in the REIT industry was thought to be a thing of the past. Most of the trusts with uncertain finances went under during the collapse of the property boom two or three years ago, and it was widely assumed that those that pulled through did so because of their stronger backing.

Also because Chase Trust was sponsored by Chase Manhattan Bank, the third largest in the U.S., no one seriously expected the bank to let its protégé down.

But the Chase episode was a reminder that the REIT crisis lingers on, particularly among trusts which had enough backing to see them through the early dark days in the hopes that better times lay ahead. But with better times slow in coming, these trusts have found their backing weakening. To underline the shock, REIT prices on the New York market took a dive after the Chase default, leaving investors bewildered, industry analysts wary, and Chase Manhattan Bank silent.

Bank-sponsored REITs sprang up around 1970 in response to the property boom. Chase Trust was typical in that it was launched by a major bank to take advantage of this fast-grow-

ing source of business. The Trust had the corporate relationship with Chase Manhattan Bank, but the bank was a major source of funds, and it is still its investment adviser.

The trust specialised in short-term mortgages for such things as residential buildings. At its peak in 1973 it earned a profit of \$22.3m. on gross income of \$63m., equivalent to nearly \$5 a share. But things started going wrong soon after that as the property market and interest rates turned. Income reached nearly \$100m. in 1974, but profits dropped by over half to \$10m., and in the middle of the following year, the trust paid its last dividend as it fell over \$100m. into the red.

Although the trust's predicament was known in the market, it was widely assumed that when its \$37m. worth of notes plus accrued interest became due on May 1, Chase Manhattan Bank would come to the rescue. But it did not, and the trust had no choice but to default.

Chase has refused to comment on the trust, so its precise reasons for standing back are not known. But its general position is clear. Like all banks, Chase has been striving to reduce its exposure to REITs in the last three years, and must continue to do so. Outstanding loans to this segment have been cut from \$731m. at the beginning of 1975 to \$315m. at the

beginning of this year, when they amounted for just under 1 per cent of Chase's total loan portfolio.

So presumably Chase decided to pursue this policy with Chase Trust even though it risked bad publicity in the process. (The fact that the bank has no corporate responsibility for the trust tends to be overlooked due to their common name.)

Some think Chase is playing a waiting game. The theory is that if its failure to help

trying to negotiate a three-year extension on \$33m. worth of debts to 17 banks. Bankers Trust Mortgage Investors was last reported to be renegotiating \$112m. worth of bank credit, over half of it with its sponsor, Bankers Trust, the ninth largest U.S. bank.

Tri-South Mortgage owned by banks in Virginia, Georgia and North Carolina, has already defaulted on bond obligations and is currently trying to come to a new agreement with its

Fargo Mortgage has begun to pay dividends again.

But there is still enough uncertainty for the Chase Trust affair to send shudders through the REIT industry and the market for its securities. One analyst of the industry commented: "We thought that Chase would support the trust. But it didn't. Frankly, anything could happen now."

Apart from the financial consequences, the point raised by the Chase affair is how far banks' responsibilities extend. No one denies that the banks have paid a hefty price for their involvement in real estate in recent years, but there seems to be little sympathy for their argument that while they sponsor REITs, they have no corporate relationship with them, and therefore, no obligation to bail them out.

The fact that banks have usually appointed themselves as investment advisers to the REITs they sponsor has added to the feeling that they bear responsibility for losses.

But whether or not they rally round, the banks also have to live with the embarrassing fact that they fared worse than most out of the property boom. Their REITs did less well than those of, say, the insurance companies, which had more expertise when it came to real estate, and the long road to recovery. Wells

There seems to be little sympathy for the banks' argument that while they sponsor REITs, they have no corporate relationship with them, and therefore no obligation to bail them out

attracts a public outcry. Chase will come up with the money. If not, it will quietly let the matter pass. So far, it must be said, there has been no outcry.

However, Chase cannot have decided on this course of action alone, for it is only one of the trust's more than two dozen creditors, the largest of which is Chemical. Its action therefore raises questions about what happens if other bank-sponsored REITs run out of cash, and most of them have been in trouble.

First, Denver Mortgage Investors, for example, a mid-west REIT with assets of \$63m. recently announced that it was

creditors on \$54m. worth of debts. A number of smaller regional bank-sponsored REITs are also reported to be trying to sort out their obligations to sponsor banks, with varying degrees of success.

Not all bank-sponsored REITs are in dire straits. First, Pennsylvania Mortgage Trust, which was in default, has signed a new term agreement with its participating banks, and is expected to be turning in its profit again next year. Con- tinental Illinois Realty cut its debts from over \$222m. to \$83m. and is described as being the long road to recovery. Wells

Confidence at Anderson Clayton

HOUSTON, May 9.

WITH A confident prediction that it will "comfortably surpass" last year's fourth quarter, Anderson Clayton, the food and related products concern, reports third quarter profits slightly lower at \$12.5m. or 91 cents a share, against \$13.1m. or 96 cents for the same period of last year.

Sales in the latest quarter were also lower with \$242m. going against the \$275m. last time.

This brings the company to \$24.5m. or \$2.47 at the nine months stage against operating income of \$24.9m. or \$2.61 a share for the same period of last year.

Agencies

Strong rise at Loews

NEW YORK, May 9.

LOEWS Corporation, the industrial holdings company with interests in tobacco, hotels, theatres and insurance, reports first quarter operating net profit from continuing operations solidly ahead at \$2.24 per share against \$1.16 for the first part of last year. In the latest period, investment gains added \$2.5m. to the figure, to give a final net of \$30.4m. or \$3.58 a share.

In the year ago quarter, investment gains came to \$19.7m. to bring the final net to \$34.5m. or \$2.89 a share. Agencies

Abbott sees rise in earnings

BY BILL COCHRANE

ABBOTT LABORATORIES, a U.S. leader in the production of pharmaceuticals, medical supplies and other health care products, expects earnings to rise by more than 15 per cent in 1978.

Chairman Edward J. Ladd, in London yesterday to talk to institutional investors, was at pains to emphasise the role of Abbott's international operations in this year's forecast.

Last year international sales, accounting for 33 per cent of the company's worldwide total, rose by only 11 per cent against a 15 per cent increase for the group. The group sales prognosis this year is something better than its

long term 15 per cent target. Within that, the international operations are moving about one-third faster, with Europe leading the field. The return of the "flu" bag, which lived up to the annual sales target of 1977, was similarly active in the first quarter of this year.

Abbott's earnings per share last year were \$3.98. Analysts' projections for 1978 are in the area of \$4.70. The management, however, is in no way concerned about a share price lately in the \$68 to \$69 area, for p/e's of just under 15 at the historic and around 12.3 at the projected level.

In fact, Mr. Ladd was happy to point to the higher ratings

currently enjoyed by companies like Baxter, Johnson & Johnson, Pfizer and Merck, noting that Abbott after a 38 per cent share price growth from this time last year was now comfortably in the upper third of the ratings for its industry in the U.S.

Abbott, among other things, is banking on its management disciplines. For example, of last year's 15 per cent sales increase, some 3 per cent was accounted for by price increases and 12 per cent by volume. Its increase in "headcount" (labour) was 2.6 per cent, which, allied to volume, left comfortable scope for improvements in productivity.

Fed seeking bank details

By Stewart Fleming

NEW YORK, May 9. As part of a continuing effort to extract more information from U.S. and foreign commercial banks, Federal regulatory agencies are going to require more detailed financial information from U.S. banks with overseas branches.

The new regulations are likely to affect about 150 banks with foreign offices and will come into effect for quarterly reports on condition and income dated December 1978.

The Federal Reserve and the Comptroller of the Currency will require that banks "call reports" which are available to the public, will give a fuller breakdown of the bank's domestic and foreign operations

Decline in margins threatens traditional market freedoms

BY TERRY OGG

THE DRAMATIC decline in margins between lending rates and the banks' cost of money in the syndicated loan market is threatening the traditional freedom of Europe to operate freely, subject only to prudential supervision. The continuance of this freedom will depend on the responsibility with which it is used.

Supervisors, commercial bankers, central bankers and perhaps even the public have worried periodically about the soundness of the Euro-borrowers, and the possible inflationary implications of the market. "First and foremost, the subject to worry about to-day in the syndicated loan market is spreads."

Dr. Wallich said that there could be explanations for the low spreads. "At the short end, a one-shot deal, and a very low spread could be made in the months of 1978. Thereafter, it is hoped that the funds raised by a player more productively later, and this course may be preferable to locking them in for a longer period at a not much better return."

At the longer end, there may be considerations of collateral business or ongoing relationships with the borrowing country, hopes of regulatory preferment in winning approval for branches and the like that may explain, although not justify, extraordinarily low margins. "I would not accept a bank's explanation of an unjustifiably low spread on the grounds that the bank had to maintain its share of the market. The implication that because some banks overland, all others ought to do the same, obviously points towards trouble."

Dr. Wallich indicated that spreads below 1 per cent, were difficult to justify on the basis of return on capital. "A spread of 0.75 per cent does not even cover the cost of capital of even a very modestly capitalised bank, plus a reasonable return on risk premium," he said. "Banks that are putting on loans at such a spread, or even less, must have substantial funding advantages or lines and other benefits from the loan aside from the spread, or they are diluting their earnings."

He said that an appeal to the principle of marginal cost pricing—that is, any income above out-of-pocket expenses—is not convincing. "There are risks to be taken into account, and there is the bank's balance sheet with its capital ratios lost to be considered. A measure of cost that ignores these legitimate components of marginal cost undermines the application of a sound economic concept."

Banks in the Euro-markets enjoy a degree of freedom from control that is unusual in domestic banking systems, although they, and particularly the U.S. banks, are by no means unregulated, he said. "The volume of lending in Euro-markets is less directly controlled by central bank action than is the volume of domestic lending. Hence, banks should

be disciplined all the more by high credit standards as they expand in these markets. The Euro-markets have given evidence of what a market system can achieve when it is allowed to operate freely, subject only to prudential supervision. The continuance of this freedom will depend on the responsibility with which it is used."

Dr. Wallich's warning came after the delegates had listened to speech on the information needed for the smooth operation of the Euro-markets, delivered by Mr. Christian Hemais, London editor of the French newsletter "Agefi."

Earlier in the day, Mr. Barry Hesketh, managing director of Forex Research, had told delegates that, based on the Forex research, the pound sterling will fall against the dollar during the rest of this year and the early years could be made in the months of 1978. Thereafter, it is hoped that the funds raised by a player more productively later, and this course may be preferable to locking them in for a longer period at a not much better return."

Prediction

The prediction was part of a general forecast of major exchange rate movements over the next three years.

Mr. Hesketh said that the Japanese yen is expected to strengthen to around ¥200 to the dollar by 1981, although it could well exceed this figure because of bandwagon effects. "The German Mark is forecast to approach the DM2 to the dollar rate by 1981, although some short term weakening is expected in view of the current high rate, which may have overshoot its equilibrium level."

"The Italian Lira will move close to 1,800 to the dollar by 1980, then stabilise or even rise. The French franc is seen as being relatively strong, although weakening to around Frs.45 to the dollar by 1981, and to Frs.24 to the D-Mark over the same period. The Netherlands guilder is forecast to remain steady or appreciate slightly against the dollar, and to weaken marginally against the D-Mark."

He said that there was little reason for tensions within the snake that could lead to a breakdown because of the relatively small movement of the guilder against the D-Mark.

Taking up Dr. Wallich's earlier point about the ability of Euro-borrowers to be self-regulating, Mr. Post said that corporate trusteeship represented an important aspect of the markets' self-regulation.

In an international market such as the Eurobond market, no government authority, no super-imposed regulatory authority exists to step in and solve the problems raised by default, he said. "To be sure, any failure of an obligor is likely to appear in a court sometime, somewhere. But in the first instance, the bond holder turns to the institutions that are most directly involved with the issue. The essence of the bond holder's protection derives from the trust by which is created by the trust rejected them later in his speech."

FINANCIAL TIMES
Euro-markets
CONFERENCE

document and which is nourished and made effective by common law. Yesterday's conference report quoted Dr. Andre Coussment, a member of the executive committee of Kredietbank S.A., Luxembourg, as saying that the Eurobond market was obsolete and overpriced. He was citing these criticisms made by others, and qualified or rejected them later in his speech.

UNION MINIERE
SOCIETE ANONYME

Registered Office: Rue de la Chancellerie 1, Brussels
Brussels Registre du Commerce Nr 13.377

NOTICE TO SHAREHOLDERS

Shareholders are invited to attend the Annual General Meeting which will be held on Thursday, 25th May, 1978, at 10.30 a.m. in the office of the "Societe Generale de Belgique," 30 Rue Royale, Brussels.

AGENDA

1. Reports by the Board of Directors, the Auditing Commission and the Legal Auditor for the financial year 1977.
2. Approval of the annual accounts closed as of 31st December, 1977, distribution of the profit.
3. Discharge to be granted to the Directors and Auditors.
4. Statutory appointments.

In order to be admitted to this meeting owners of bearer shares must deposit their shares not later than Friday, 19th May, 1978, with any one of the following banks:

In Belgium: with "Societe Generale de Banque," in Brussels or any of its other offices and agencies;

In France: with "Banque Belge (France)," Rue Volney 12, 75002-Paris;

In the Netherlands: with "Amsterdam-Rotterdam Bank," Herengracht 585, 1001 Amsterdam.

Owners of bearer shares will be admitted to the meeting on producing a statement from one of the above banks mentioning the identity of the owner of the shares and certifying that the shares will remain deposited from 19th to 25th May, 1978, inclusive.

Owners of registered shares must advise the company not later than Friday, 19th May, 1978, of their intention to attend the meeting or to be represented.

Proxies, conferred according to Article 30 of the Articles of Association, must be deposited not later than Friday, 19th May, 1978, at the company's registered office, Rue de la Chancellerie 1, Brussels. Proxy forms are available to shareholders at the company's registered office, and also at the above-mentioned banks.

THE BOARD OF DIRECTORS

Instituto de Crédito Oficial

Madrid, Spain

U.S. \$100,000,000

Seven Year Loan

Managed by

Algemeene Bank Nederland N.V.

Bank für Gemeinwirtschaft A.G./
Internationale Genossenschaftsbank AG

Barclays Bank International Limited

The Long-Term Credit Bank of Japan, Limited

The Sumitomo Bank, Limited

Westdeutsche Landesbank Girozentrale

Co-Managed by

Canadian Imperial Bank of Commerce

Chemical Bank

The Dai-ichi Kangyo Bank, Ltd.

European American Bank & Trust Company

Provincial Bank of Canada (International) Limited

The Sanwa Bank, Limited

The Taiyo Kobe Bank, Limited

Toronto Dominion Bank

Co-ordinated by

European Banking Company
LimitedFirst Boston (Europe)
Limited

Agent:

European Banking Company
Limited

INTERNATIONAL FINANCIAL AND COMPANY NEWS

THE COB REPORT

Plans for wider share ownership

BY DAVID CURRY

THE PARIS Stock Exchange has christened 1978 the year of the equity. That is the main message in the latest report (for 1977) of the Bourse watching commission the Commission des Operations de Bourse (COB).

It describes the government's promise to rehabilitate the equity and to encourage savers to return to the equity market as absolutely essential to the Bourse's survival as an instrument of capital formation. Without such incentives the disequilibrium between fixed interest securities and equities will get even worse, it notes.

The 1977 figures illustrate the COB's traditional preoccupation. While total issues reached Frs.61.3bn.—a record—only 18.2 per cent. of this was accounted for by increases in equity capital and no less than 83.8 per cent. by bond issues. Quoted companies raised no more than Frs.1.1bn. by appealing to the general public for new capital while con-

vertible bond issues raised only Frs.1.88bn. Around Frs.8bn. was raised in equity capital without appeal to the general public and Frs.43.8bn. came from conventional fixed interest issues.

On the secondary market the situation was equally dismal since equities accounted for 45.5 per cent. of transactions against 73 per cent. in 1969 before the creation of a market in bonds of maturities of up to seven years. The government is seriously concerned about the undercapitalisation of French industry—particularly the vulnerability of smaller companies—and the restoration of company finances has moved to the centre of its economic strategy.

It is pledged to permit the introduction of Preference shares in France to allow companies to raise capital without diluting control. It will also allow individuals to deduct from their taxable income money subscribed to new equity capital or placed in a blocked equity-based retire-

ment fund. It also says it will make it easier for employees to buy shares in their own company. But it has not promised to meet the bourse's demand for the doubling of the tax bonus from 50 per cent. to 100 per cent.—a measure which could cost the bourse Frs.2bn. a year. Not is it clear whether the substantial tax advantage enjoyed by bonds over equities will be adjusted to the benefit of shares. After all, semi-government institutions and state-owned concerns are the main money-raisers on the fixed-interest market.

The COB urges the government to press ahead with other reforms which have been gathering momentum for years. In particular it wants the long-prepared legislation insisting on the presentation of consolidated accounts, improving the contents of accounts and regulating the delay in presenting them to be reintroduced in parliament, although it says that over the years companies have signifi-

cantly improved their performance in these respects. (It claims 63 per cent. of companies who could present consolidated accounts do so already.)

It also promises to work on the problem of bringing order into the barely-regulated realm of take-over bids, particularly by setting up a control commission and by preventing companies protecting themselves from bids by hiring off chunks of their equity to group companies.

Finally it wants to see legislation to protect savers from fraudulent investment proposals offering miraculous returns on capital. It claims two feathers in its cap for last year: its recommendation that holders of more than 5 per cent. of company capital should be named in the annual report, and its campaign to provide earlier and better information for shareholders called to extraordinary general meetings to consider changes in corporate structure.

PARIS, May 9.

Slide in German engineer's earnings

By Adrian Dicks

BONN, May 9.

MANNESMANN, the West German steel pipe, plant construction and engineering group, reports a 28.7 per cent. drop in profits from DM216m. in 1976 to DM154m. (\$77m.) in 1977. After transferring DM50m. to reserves (DM35m. less than in 1976), there is DM104m. available for distribution.

The Board will propose a DM35.50 per share dividend, compared with DM7 for 1976. The German domestic share-holders entitled to the tax credit will receive a total of DM35.50 per share.

Mannesmann also announced today that it has signed a contract worth DM68.70m. with China for the delivery of over 60,000 tonnes of pipe during the second half of this year. A spokesman stressed that the pipe was not intended for any single specific project so far as the German company was aware. The order, he said, was made up of an assortment of small-diameter piping and tubing of varying sizes, qualities and specifications which the spokesman added, might be used by the Chinese in any of a wide variety of possible industrial processes.

It is understood that China is not buying any large-diameter pipe of the sort that Mannesmann is supplying to the Soviet Union from its new Bluefield works.

In its earnings and dividend report to-day, the company confirmed a 1 per cent. drop in total sales during 1977 to DM11.7bn. Earlier this spring the chairman, Herr Egon Overbeck, predicted a satisfactory, if less than spectacular, year in 1978.

Sharp recovery at Olivetti
By Our Financial Staff
OLIVETTI, which last month announced a major capital and boardroom reorganisation, reports a sharp recovery in profits for 1977.

On group turnover 21 per cent. up at L1,570bn., the international mechanical and electronics group has lifted net profits from L1.1bn. to L5.3bn., or some 56.1m. The profits are to be set aside for reserves.

Last month the company unveiled a rights issue aimed at reducing the burden of accumulated debts which had risen to around L800bn. The equity funding is to lift group capital from L60bn. to L100bn. with the new deputy chairman—Sig. Carlo Benedetti taking up the largest slice of the new shares.

Sig. Benedetti will subscribe some L15bn. and emerge with a shareholding of some 20 per cent. in Olivetti.

EUROBONDS
Australia floating \$250m. bond
By Francis Ghiles

MARKETS WERE quiet yesterday ahead of the Association of International Bond Dealers annual meeting; the trend continued in the dollar sector, although turnover was better than on Monday. The only real news was the announcement that Australia would be floating a \$250m. Yankee bond. The Province of New South Wales issued a new bond, priced at 100, with terms otherwise unchanged.

In the D-Mark sector, the Selyu convertible was priced at par with terms otherwise unchanged. A DM100m. issue announcement expected from DG Bank yesterday for a European borrower will now be reconsidered at a meeting of the Capital Markets Sub Committee next Friday.

Commerzbank is expected to launch a DM40m. private placement to-day.

Japanese companies are set to raise a record number of bonds, essentially denominated in D-Marks and Swiss francs in the three months from next July. As many as 27 companies have applied for approval from the Ministry of Finance in Tokyo; the amount of these bonds will be worth \$600m. one-third up on the figure for the equivalent period in 1977. This figure will, however, be less than that of bonds floated by Japanese companies in the three months to the end of June.

More of these bonds will be denominated in D-Marks: 70 per cent. of the total in the three months to September, as compared with an average of 15 per cent. last year.

James Forth writes from Sydney: The Australian Government will file with the U.S. Securities and Exchange Commission later this week for a proposed offering of a \$250m. Yankee bond. This borrowing is the latest in a series of fund-raising operations since the middle 1960s, all aimed at shoring up Australia's reserves and preventing a devaluation of the Australian dollar.

Speculation against the dollar continued early this year and this resulted in substantial capital outflows, which prompted the Treasurer, Mr. John Howard, to state last March that Australia would not hesitate to borrow beyond the \$1.7bn. indicated last year if that were necessary to prevent a devaluation.

Australian Eurobonds slipped in the secondary market in London yesterday by a quarter to half a point.

Currency movements hit Philips in first quarter

BY CHARLES BATCHELOR

AMSTERDAM, May 9.

PHILIPS, the Eindhoven-based international electrical group, reports lower first quarter profits although volume sales for the opening three months of 1978 rose in line with expectations. Sales by value were once again adversely affected by currency exchange movements.

Volume sales rose 7 per cent. in the first three months, in accordance with expectations, and Philips confirmed its earlier forecast that it expects to achieve its rate of growth over the year as a whole. Sales by value rose only 3 per cent. to Frs.7.21bn. from Frs.7.01bn.

As forecast in last month's annual report, sales in the home electronics for sound and vision, domestic appliances and personal care products sectors were much higher, substantially above the average of 3 per cent. But the figures for industrial supplies and miscellaneous activities, which include pharmaceuticals, foodstuffs and animal health and crop protection products, were below the level of the first quarter of 1977.

Trading profit showed a 22 per cent. fall to Frs.418m. from Frs.534m. Profit before tax showed a sharper decline of 23 per cent. to Frs.248m. from Frs.346m., partly due to a slightly higher net interest charge. After tax of Frs.112m. (Frs.163m.) and minority interests of Frs.14m. (Frs.27m.), net profit was 13 per cent. lower at Frs.130m. (Frs.159m.).

Net profit per share fell to Frs.0.69 from Frs.0.87. On the basis of U.S. accounting principles, profit was 41 cents compared with 47 cents. Net profit as a percentage of share-holders' equity fell to 4.9 from 5.2.

Trading profit fell to 5.8 per cent. of sales from 7.6 per cent. In most sectors trading profit as a percentage of deliveries was at about the same level as in the first quarter of 1977 but in the industrial supplies division it showed a marked decline. This was mainly due to the sharp increase in pressure on selling prices, continuing cost increases and reduced use of capacity.

After-tax profit fell to 1.9 per cent. of sales from 2.6 per cent. Trading profit as a share of deliveries rose in non-EEC countries in Europe, Latin America and Africa. There was a substantial decline in Holland largely due to the impact of the appreciating guilder on the large volume of exports. Trading profit also decreased in the other EEC countries however.

The level of stocks developed satisfactorily falling to 30 per cent. of sales on March 31 from 31.4 per cent. a year before. The number of employees fell by a further 1,700 after the decline of 7,700 in the whole of 1977 to an end-year total of 384,500. The workforce in Holland was reduced by 700 while the company shed 500 in the U.S.

Sales rose most strongly in Latin America and Asia. Sales in Europe matched the increase in the concern as a whole while in the U.S. and Canada they fell, due solely to movements in exchange rates. Sales also fell in Australia due to the economic situation in that country.

Robeco to set up new fund

BY OUR OWN CORRESPONDENT

AMSTERDAM, May 9.

ROBECO expects to set up a publicly quoted property fund later this year, using the Frs.240m. (\$106m.) property portfolio which it hopes to buy from Pakhoed holding together with an existing portfolio of around Frs.60m.

The fund, unofficially known as "Robasco", would be closed-ended unlike the other three funds in the Robeco group. Investors would be able to buy shares in the fund on the Stock Exchange. This structure has been chosen to avoid the need

for a daily evaluation of the portfolio value and for the fund's managers to repurchase shares which might require the sale of part of the portfolio.

The new fund would be invested in a wide range of commercial property in Holland and abroad. The present portfolio includes offices, factories and supermarkets in Holland and Germany. The portfolio which Robeco hopes to acquire from Pakhoed includes a fund, Hexaport, which is heavily invested in

the U.S. Of the total Pakhoed portfolio of Frs.240m., nearly 80 per cent. is in the U.S. Together with Robeco's own direct investment in Hexalon of about Frs.40m., the new fund would have about Frs.180m. invested in the U.S.

Robeco hopes to conclude talks with the troubled Pakhoed group over the purchase this month. It refused to comment directly on the size of the new fund but said it would not be disproportionate to the other funds in the group.

Oce opens year on weak note

OCE-VAN de grinten NV, the Dutch reprographic equipment maker, said pre-tax profits fell to Frs.12.1m. (\$6.4m.) from Frs.13.5m. in the first quarter of 1978. Reuter reports from Amsterdam that business is developing satisfactorily.

Comparisons are for the original group before last year's merger with Ovid of the U.K. Frs.60.7m. in 1976, or Frs.13.59 per share against Frs.11.57.

The company reported a 1977 net profit of Frs.71.4m., nearly 80 per cent. of the U.K. Frs.60.7m. in 1976, or Frs.13.59 per share against Frs.11.57.

Amev expansion
AMEV, the major Dutch insurance group, aims for further expansion this year and results dividend is being cut to Frs.2 a share from Frs.2.5. The company's report explains that the non-insurance activities share of pre-tax profit rose to 23 per cent. from 18 per cent. In April the panies.

Dip at Gist-Brocades
Dutch bio-chemicals and pharmaceuticals group, Gist-Brocades, reports a 7 per cent. dip to Frs.19.3m. (\$8.9m.) in net profits for 1977 and expects a further decline in the current year. The dividend is being cut to Frs.2 a share from Frs.2.5. The company blames heavy interest costs, currency problems and delays in the purchase of two U.S. com-

Bouygues looks overseas for growth

By Our Own Correspondent

PARIS, May 9.

THE FRENCH construction concern, Bouygues expects that half its sales this year of Frs.4bn. will be realised overseas, against only a third last year. This strong overseas growth will have been achieved in the three years since the company decided that the only way to maintain its development was to look beyond the French market.

The relatively uninviting prospect of the home market is illustrated in forecasts made by Bouygues on the housing market. It sees a very rapid decline in the market for apartment buildings and a strong growth in the demand for individual houses. However, the growth in demand for houses will not compensate, in terms of activity, for the downturn in the market for collective units.

In 1974, some 540,000 lodgings were constructed in blocks of some sort or another. This year the company expects completions to be no more than 180,000 and by 1982 to be down to 80,000. Over the same years it forecasts a rise in the individual house market from 220,000 to 280,000 to 290,000.

The company and group accounts for 1977 were well up on 1976, even though only a quarter of profits were attributable to overseas work. The real benefit of this will come with the completion of a number of overseas projects in 1978. Company profits in 1977 were Frs.35.7m. (\$7.8m.), against Frs.16.8m. in 1976, after sharply increased depreciation, and group earnings came out at Frs.50.1bn., against Frs.18.2m., again after much heavier depreciation.

SCANDINAVIAN NEWS

Improving outlook for Ericsson

BY JOHN WALKER

STOCKHOLM, May 9.

THE GENERAL market situation for investments in public telephone networks has been depressed, but the trend seems to be improving, and is expected to do so through 1978. L. M. Ericsson said in its annual report.

The order backlog should increase by about 20 per cent. this year, but the concern is not making a profit forecast at this stage as there are too many currency, cost, and price imponderables.

The order intake is expected to increase by about 20 per cent., largely due to the major contract signed with Saudi Arabia in January. The group's order backlog amounted to Kr.8.6bn., 21 per cent. over the 1976 figure.

Group sales in 1977 totalled Kr.7.5bn. compared with Kr.7.3bn. in the previous year. Profit before tax amounted to Kr.552m. (\$119m.) compared with Kr.406m. in the previous year. This makes a profit per share of Kr.8.84 compared with Kr.6.88 in 1976. The dividend remains at Kr.5.

Fagersta
In its final report, Fagersta, the Swedish special steel and rock drilling equipment manufacturer, forecast a continued loss but at a lower rate than that experienced in 1977, which amounted to Kr.70m. (\$15m.), writes John Walker from Stockholm.

During 1978, it made a pre-tax profit of Kr.41m. Sales in 1977 amounted to Kr.1.3bn., showing an increase of Kr.135m. over the previous year.

Despite the devaluation of the Krona, Swedish costs are still higher than many competing countries, the report said. The order backlog amounted to Kr.280m., down from Kr.320m. at the same time in the previous year. The order intake during the first two months of 1978 showed an improvement. The board recommends a reduced dividend of Kr.4 per share compared with Kr.5 in 1976.

Handelsbank
Copenhagen Handelsbank is planning to set up a wholly-owned subsidiary in Luxembourg. It was announced to-day, writes Hilary Barnes from Copenhagen. The bank will have a starting capital of Luxembourg Frs.500m. The bank will primarily be concerned with raising finance for the group's Danish customers. Handelsbank is Denmark's largest commercial bank.

\$200m. Swiss bank loss

BY DAVID EGLI

GENEVA, May 9.

A LOSS of around \$200m. was announced here in a spectacular and sombre reappraisal of the collapse of the Geneva bank, Leclerc and Company.

The liquidators set the excess of liabilities over assets at some Sw.Frs.394m.—more than ten times the level expected when the bank was closed a year ago. As a result it is not expected that creditors will receive more than a 9 per cent. return on their claims.

In making their report to a local court, the liquidators brought out a long record of criminal mismanagement within the bank linked to a string of

companies in Geneva, Panama and Liechtenstein set up or exploited in such a manner as to circumvent numerous Swiss legal requirements related to banking activity.

The records of the bank, which handled some Sw.Frs.1.5bn. in client investments, were maintained in such a haphazard manner that they could not be relied upon to provide a true picture of the situation. In addition, the liquidators did not apparently obtain the full co-operation of the staff in their attempt to re-evaluate the financial position.

Hefty losses at Manufrance

PARIS, May 9.

NET LOSSES of Frs.102.5m. (\$22.2m.) are reported by Manufrance for 1977. The crisis-ridden French retail, mail order and small arms group incurred a loss of Frs.32.7m. in 1976. Last October new management at Manufrance suggested that the company could possibly lose around Frs.120m. in 1977. At the time it was stated that something like Frs.200m. to aid from the State, creditors and other sources was needed in order to get the company back on to an acceptable financial footing. Agencies

This announcement appears as a matter of record only.

10th May 1978.

U.S. \$25,000,000

Teollisuuden Voima Oy-Industrins Kraft Ab

(TVO Power Company)

(Incorporated in Finland with limited liability)

8 1/2% Guaranteed Bonds 1988



Unconditionally and irrevocably guaranteed by the

Republic of Finland

Abu Dhabi Investment Company

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

B.A.I.L. (Middle East) Inc.

Kansallis-Osake-Pankki

Merrill Lynch International & Co.

National Bank of Abu Dhabi

Nomura Europe N.V.

Postipankki

Union de Banques Arabes et Françaises—U.B.A.F.

Union Bank of Finland Ltd.

Wardley Middle East Limited

ABN Finance Limited Al Ahli Bank of Kuwait (K.S.C.) American Express Middle East Development Co. S.A.L.

Arab African Bank Arab Finance Corporation S.A.L. Arab Financial Consultants Co. (S.A.K.)

The Arab and Morgan Grenfell Finance Company Limited Arab Trust Company K.S.C.

Banque Intercontinentale Arabe Burgan Bank S.A.K. Citicorp International Group—Bahrein

Daiwa Securities (HK) Limited Deutsche Bank Aktiengesellschaft European Arab Bank Limited

European Banking Company Limited Euroseas Banking Co. (Qatar) Limited First Boston (Asia) Limited

Fuji International Finance Limited Gulf Bank K.S.C. Hambros Bank Limited

IBJ International Limited Kuwait International Investment Co. S.A.K.

Kawait Investment Co. S.A.K. Kuwait Pacific Finance Company Limited LTCB Asia Limited

Manufacturers Hanover Asia Limited Mitsubishi Bank (Europe) S.A.

National Bank of Bahrain National Commercial Bank National Bank of Kuwait

New Japan Securities International (HK) Limited Nikko Securities Company (Asia) Limited

Nippon Kangyo Kakumaru Securities Company Limited Orion Bank Limited

Riyad Bank Limited Saudi Arabian Investment Co. Inc. Sumitomo Finance International

Taiyoh Kobo Finance Hong Kong Limited Trident International Finance Limited

Union de Banques Arabes et Europeennes—U.B.A.E. UBAN—Arab Japanese Finance Limited

Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

هكذا كانت الامم

INTERNATIONAL FINANCIAL AND COMPANY NEWS

MEDIUM TERM CREDITS

Debut for two African borrowers

BY FRANCIS GHILES

TWO African countries—Botswana and Mauritania—are entering the international market for the first time. The Republic of Botswana is raising \$450m. for seven years on a split spread (under 2 per cent. rising to 3 per cent. and then to over 4 per cent.) from a group of banks led by First National Bank of Boston. Other terms include a three-year grace period. The funds will be used by the Government to acquire a further 20 per cent. equity stake (it will receive 30 per cent. free of consideration) in a new mine being developed by De Beers. Mauritania is also raising \$450m. for six years on a spread of 1 per cent. with a two-year grace period. The borrower is Banque Arabe Libyenne Mauritanienne (BALM) in which the State of Mauritania has a 49 per cent. stake. The other 51 per cent. is owned by the Libyan Arab Foreign Bank (LAFB). The State of Mauritania is guaranteeing 49 per cent. of the loan, and the LAFB 51 per cent. The Libyan presence which is also arranging a

DM100m. fixed interest loan for Rio Metro. The interest paid by the Rio Metro is 7 1/2 per cent. Compagnie Financière de la Compagnie Bank will provide DM50m. of this figure and Bayerische Hypothek the remainder.

Legal difficulties delayed until last week the signing of the \$250m. seven-year loan for Yacimientos Petroliferos arranged last year. Managers for this loan, which boasts a split spread of 1 1/2 per cent. for five years rising to 1 3/4 per cent. include Chemical Bank, Manufacturers Hanover, Morgan Guaranty and Wells Fargo.

The Italian state company Credito is arranging a \$175m. eight-year loan, with an option to extend this maturity to ten years. The borrower which has provided a state guarantee is paying a spread of 1 per cent. for eight years, which would rise to 1 1/2 per cent. if the option is taken up. Joint lead managers are Citicorp and Westdeutsche Landesbank. A \$20m. five-year loan carrying

a spread of 1 1/2 per cent. has recently been signed for the Luxembourg subsidiary of STEI, the Italian state telephone company. Lead manager is London and Continental Bankers.

In South East Asia, borrowing continues apace: the \$250m. club loan for the Philippines has been increased for the second time. In a first stage it was increased to \$420m. and now it has been increased to \$500m. It is not ruled out that the \$300m. for the Korea Development Bank and the Korea Development Bank should also be increased.

Another active borrower in the area is Indonesia. It is in the process of organising a \$25m. seven-year loan with Wells Fargo at 1 per cent. and a grace period of two years, terms which would be the lowest ever for an Indonesia credit. Meanwhile Bank of America is lending Indonesia \$24.5m. of which \$20m. is accounted for by U.S. Exim credits. The borrower is paying a spread of 1 1/2 per cent. on the commercial tranche of the credit.

First half advance at Guinness Malaysia

By Wong Sulong

KUALA LUMPUR, May 9. GUINNESS MALAYSIA has reported a 27 per cent. rise in profits for the first half of its financial year, in spite of its failure to make a breakthrough in the beer market.

The company said that its withdrawal from the beer market in January is not expected to affect profits for the current year.

Pre-tax profits for the six months to February increased to 10.7m. ringgits (S.U.S.4.5m.), while sales rose by 18 per cent. to nearly 70m. ringgits (\$28m.). The company pointed out that the first half of its financial year, which coincided with the festive season in Malaysia and Singapore, is normally the more buoyant period and that sales during the second half are not expected to match the results achieved.

An interim dividend of 15 per cent. is declared, compared with 12.5 per cent. for the interim dividend in 1977.

Alcan offshoot plans expansion

By Our Own Correspondent

KUALA LUMPUR, May 9. ALCON, the Malaysian associate of Alcan of Canada, plans to double its aluminium extrusion capacity through a 10m. ringgit (U.S.\$4.2m.) expansion plan, to meet the growing demands for aluminium in Malaysia and Singapore.

The company's plant outside Kuala Lumpur currently turns out some 6,500 tons of sheet products, and 4,300 tons of extrusion annually. The expansion will be an extension of facilities and capacity will be around 8,000 tons a year once new plant is installed within 18 months.

Alcon's managing director, Mr. Donald Crilly, said today the 10m. ringgit would come mainly from the company's internal cash resources and medium-term loans on the Malaysian market.

He said 10 per cent. of the company's products are exported to Singapore and it is hoped to increase this to 20 per cent. within a few years.

Following approval by the Government for a general price increase, Alcon last year recorded an after-tax profit of 1.40m. ringgits (U.S.\$0.10,000) compared to 500,000 ringgits in 1976. The company early this year declared a one-for-two scrip issue, raising its paid-up capital to 10.8m. ringgits.

The Alcon Company of Canada holds 34.5 per cent. of Alcon's equity, while another 37 per cent. is held by Malay Financial Institutions and the remaining equity held by the Malaysian and Singapore public.

Vehicle financing downturn curbs Custom Credit

BY JAMES FORTH

SYDNEY, May 9.

CUSTOM CREDIT Corporation, which lifted gross receivables 18.3 per cent. to \$A2.4bn. and profit by 23 per cent. to \$A2.2bn. in the March half-year, from \$A2.22m. to \$A2.5m. (\$US9.6m.), Custom Credit's directors said the increase was actually 10.2 per cent. if allowance is made for the increase last year in the company tax rate and that they consider the result satisfactory in view of the lower level of demand.

However, Custom Credit lagged well behind the industry leader, Australian Guarantee Corporation, a partly owned subsidiary of the Bank of New South Wales, which lifted gross receivables 18.3 per cent. to \$A2.4bn. and profit by 23 per cent. to \$A2.2bn. in the March half-year, from \$A2.22m. to \$A2.5m. (\$US9.6m.).

Custom Credit's gross receivables rose 19.3 per cent. from \$A2.38m. to \$A2.45m. Of this, 10.2 per cent. was due to the increase in demand in consumer durables motor dealers, accounted for 78.9 per cent. Leasing accounted for 14.3 per cent.

Real estate bridging advances, joint venture loans and development land accounted for only 5.3 per cent., with the balance of 3.3 per cent. in short dated securities.

Losses written off during the period amounted to \$A3.85m. and reflected the level of unemployment and lower economic activity. The group's provision for doubtful debts was increased by \$A750,000 and totalled \$A8.35m.

The directors said the lower demand in consumer durables was particularly evident in motor vehicle financing, while demand was also low in the real estate sector. No real upsurge was expected in demand for consumer finance in the short term, while leasing finance could be adversely affected by a reduction in the investment allowance.

Profits recover at OK Bazaars

BY RICHARD STUART

JOHANNESBURG, May 9.

A STRONG second half, which included an exceptionally good Christmas season, has enabled OK Bazaars to match last year's profits for the financial year ended March. At the half-way stage, profits were 21 per cent. lower, but this deficit was made up in the second half to allow for an overall net profit of \$12.7m. (\$A1.8m.), exactly equal to 1977 results. The 3 cents out in the interim dividend has been compensated for by an equivalent increase in the final, restoring total distribution to an unchanged 55 cents, which is covered 1.8 times.

These results no longer include profits from OK's Rhodesian operation which was sold in October last year in exchange for shares in Delta Corporation (previously Rhodesian Breweries). The effect of deconsolidating Rhodesia was to reduce profits by 3.3 per cent. The company said that the earnings for the full year would match the previous year's level in the event, profits increased by 8.8 per cent. in the second half, on a sales increase of only 6.9 per cent. But while margins widened in the second half, pre-tax margins for the whole year were down from 4.4 per cent. to 4.2 per cent. Total turnover in 1977 was \$A20m.1.

The satisfactory second-half performance is attributed to effective cost control, including control of shrinkage and pilferage, while the better margins were due to better bargaining and an improved merchandise mix. OK shares put on 26 cents on the strength of the results and are now trading at 810 cents, 17 per cent. higher than a month ago.

The results bode well for OK's parent, SA Breweries, South Africa's largest industrial enterprise in turnover terms, which is scheduled to release its preliminary profit figures tomorrow.

Sharp gain at Cadbury India

BY R. C. MURPHY

BOMBAY, May 9.

CADBURY INDIA, the offshoot of Cadbury Schweppes, raised its after-tax profits in 1977 by over 40 per cent. to Rs.5.84m. (\$700,000), on sales up 18 per cent. to Rs.166.6m. (\$20m.). The company has recently diluted its foreign equity participation under the Indian Foreign Exchange Regulations Act (FERA), and a further dilution is in hand.

The future of the company has been a matter of controversy. Despite Leftist pressures, the Government has honoured its commitment to allow all foreign companies (including those of commissioning, exports of its products fetched Rs.4m. and in 1978, the export earnings from the plant would exceed Rs.40m. The company proposes to produce apple juice concentrate based on Kashmir apples, a large proportion of which is wasted every year.

The first phase of dilution, implemented in July, last year brought foreign equity in the company down to 60 per cent. In the second phase, this share will be reduced to 40 per cent.

CADBURY SCHWEPES Australia, which is 62 per cent. owned by the U.K. company, is confident that 1978 will see a satisfactory rise in both sales and profit over 1977, the chairman Sir Rupert Clarke told the annual meeting.

The group earned \$A8.7m. on sales of \$A171.56m. in calendar 1977. Group profit fell marginally in the first quarter, he said, but the first half profit should equal that of the corresponding period last year (\$A3.41m.), and second-half trading should be more profitable.

Reverse for Dunlop unit

BY P. C. MAHANTI

CALCUTTA, May 9.

DUNLOP INDIA, the Dunlop Holdings subsidiary, has reported a sharp fall in profits for 1977, with pre-tax earnings down by \$5.5 per cent. to Rs.12.3bn. (\$1.5m.), from Rs.53.9m. in 1976, and after-tax by 76.1 per cent. to Rs.1.1m., from Rs.42.5m. Revenue was reduced 4.6 per cent. to Rs.1.67bn. (\$200m.), from Rs.1.75bn.

The decline in revenue, the company says, results partly from a lower volume of sales and partly from price reductions on some products. It is associated with competitive conditions in the market, particularly in the case of truck tyres, in which "substantial under-utilisation of capacity has hit the industry as a whole."

Property group passes dividend

HONG KONG, May 9.

SOUTHERN PACIFIC Properties has reported a net profit for 1977 of \$HK1.8m. (approx. \$U.S.1,000,000). In 1976, net profit after the inclusion of \$HK12.3m. in extraordinary items, was \$HK13.4m. The dividend is again passed.

Turnover was \$HK340m. (\$U.S.42m.), compared with \$HK236.4m. in 1976.

Net earnings a share before extraordinary items were 1.3 cents, against 0.7 cents.

The company reported losses of \$HK80,000 from the sale of hotel property (against a profit of \$HK42m.).

United Overseas Land

United Overseas Land group net profit fell to \$S\$239,000 in 1977, from \$S\$231m. in 1976. The parent company loss was \$S\$470,000, against \$S\$211m. reports Reuter from Singapore. The first and final dividend is cut to 2 per cent. from 6 per cent.

The company said that the reduction in group profit and loss incurred by the parent company were mainly due to the continued depressed residential property market.

Cautious approach to options

TOKYO, May 9.

THE introduction of options dealing in Japan is being treated with caution by the Tokyo and other Japanese exchanges, pending the outcome of the review by the U.S. Securities and Exchange Commission designed to determine whether it is possible to maintain fair and orderly markets in options, the Tokyo Stock Exchange has said.

At the same time, some Japanese securities companies have grown less interested in the idea of options trading now that the Tokyo market is booming without the stimulus which it was hoped that options would provide.

The Tokyo Stock Exchange is continuing to study a draft plan for the introduction of options trading, but no early decision to go ahead is expected, according to the Tokyo exchange.

The draft plan was worked out by the Japanese Securities Dealers Association in November, and was based on the findings of a survey mission sent to the U.S. and Canada in April last year.

The plan recommended that options trading be limited initially to stocks of about ten companies, each capitalised at

Hong Kong Land growth

BY DANIEL NELSON

HONG KONG, May 9.

HONG KONG LAND's earnings and dividends will continue to grow as a result of additional income from longer-term investments, such as its central district redevelopment scheme, Mr. D. K. Newbould, the chairman, says, in his annual report.

As previously reported, the group profit after tax amounted to \$HK239.80m., an increase of 14 per cent. Mr. Newbould said that as a result of the \$HK300m. raised by the issue of 7 1/2 per cent. unsecured guaranteed bonds 1985, the group has sufficient funds available from existing resources for its current requirements.

The main increase in turnover over came from commercial retailing—up from \$HK180m. in 1976 to \$HK224m.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

Mid	Offer
Alcan 4 1/2% 1987	97 1/2
Alcan 5 1/2% 1987	98 1/2
Alcan 6 1/2% 1987	99 1/2
Alcan 7 1/2% 1987	100 1/2
Alcan 8 1/2% 1987	101 1/2
Alcan 9 1/2% 1987	102 1/2
Alcan 10 1/2% 1987	103 1/2
Alcan 11 1/2% 1987	104 1/2
Alcan 12 1/2% 1987	105 1/2
Alcan 13 1/2% 1987	106 1/2
Alcan 14 1/2% 1987	107 1/2
Alcan 15 1/2% 1987	108 1/2
Alcan 16 1/2% 1987	109 1/2
Alcan 17 1/2% 1987	110 1/2
Alcan 18 1/2% 1987	111 1/2
Alcan 19 1/2% 1987	112 1/2
Alcan 20 1/2% 1987	113 1/2
Alcan 21 1/2% 1987	114 1/2
Alcan 22 1/2% 1987	115 1/2
Alcan 23 1/2% 1987	116 1/2
Alcan 24 1/2% 1987	117 1/2
Alcan 25 1/2% 1987	118 1/2
Alcan 26 1/2% 1987	119 1/2
Alcan 27 1/2% 1987	120 1/2
Alcan 28 1/2% 1987	121 1/2
Alcan 29 1/2% 1987	122 1/2
Alcan 30 1/2% 1987	123 1/2
Alcan 31 1/2% 1987	124 1/2
Alcan 32 1/2% 1987	125 1/2
Alcan 33 1/2% 1987	126 1/2
Alcan 34 1/2% 1987	127 1/2
Alcan 35 1/2% 1987	128 1/2
Alcan 36 1/2% 1987	129 1/2
Alcan 37 1/2% 1987	130 1/2
Alcan 38 1/2% 1987	131 1/2
Alcan 39 1/2% 1987	132 1/2
Alcan 40 1/2% 1987	133 1/2
Alcan 41 1/2% 1987	134 1/2
Alcan 42 1/2% 1987	135 1/2
Alcan 43 1/2% 1987	136 1/2
Alcan 44 1/2% 1987	137 1/2
Alcan 45 1/2% 1987	138 1/2
Alcan 46 1/2% 1987	139 1/2
Alcan 47 1/2% 1987	140 1/2
Alcan 48 1/2% 1987	141 1/2
Alcan 49 1/2% 1987	142 1/2
Alcan 50 1/2% 1987	143 1/2
Alcan 51 1/2% 1987	144 1/2
Alcan 52 1/2% 1987	145 1/2
Alcan 53 1/2% 1987	146 1/2
Alcan 54 1/2% 1987	147 1/2
Alcan 55 1/2% 1987	148 1/2
Alcan 56 1/2% 1987	149 1/2
Alcan 57 1/2% 1987	150 1/2
Alcan 58 1/2% 1987	151 1/2
Alcan 59 1/2% 1987	152 1/2
Alcan 60 1/2% 1987	153 1/2
Alcan 61 1/2% 1987	154 1/2
Alcan 62 1/2% 1987	155 1/2
Alcan 63 1/2% 1987	156 1/2
Alcan 64 1/2% 1987	157 1/2
Alcan 65 1/2% 1987	158 1/2
Alcan 66 1/2% 1987	159 1/2
Alcan 67 1/2% 1987	160 1/2
Alcan 68 1/2% 1987	161 1/2
Alcan 69 1/2% 1987	162 1/2
Alcan 70 1/2% 1987	163 1/2
Alcan 71 1/2% 1987	164 1/2
Alcan 72 1/2% 1987	165 1/2
Alcan 73 1/2% 1987	166 1/2
Alcan 74 1/2% 1987	167 1/2
Alcan 75 1/2% 1987	168 1/2
Alcan 76 1/2% 1987	169 1/2
Alcan 77 1/2% 1987	170 1/2
Alcan 78 1/2% 1987	171 1/2
Alcan 79 1/2% 1987	172 1/2
Alcan 80 1/2% 1987	173 1/2
Alcan 81 1/2% 1987	174 1/2
Alcan 82 1/2% 1987	175 1/2
Alcan 83 1/2% 1987	176 1/2
Alcan 84 1/2% 1987	177 1/2
Alcan 85 1/2% 1987	178 1/2
Alcan 86 1/2% 1987	179 1/2
Alcan 87 1/2% 1987	180 1/2
Alcan 88 1/2% 1987	181 1/2
Alcan 89 1/2% 1987	182 1/2
Alcan 90 1/2% 1987	183 1/2
Alcan 91 1/2% 1987	184 1/2
Alcan 92 1/2% 1987	185 1/2
Alcan 93 1/2% 1987	186 1/2
Alcan 94 1/2% 1987	187 1/2
Alcan 95 1/2% 1987	188 1/2
Alcan 96 1/2% 1987	189 1/2
Alcan 97 1/2% 1987	190 1/2
Alcan 98 1/2% 1987	191 1/2
Alcan 99 1/2% 1987	192 1/2
Alcan 100 1/2% 1987	193 1/2

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

Mid	Offer
Alcan 4 1/2% 1987	97 1/2
Alcan 5 1/2% 1987	98 1/2
Alcan 6 1/2% 1987	99 1/2
Alcan 7 1/2% 1987	100 1/2
Alcan 8 1/2% 1987	101 1/2
Alcan 9 1/2% 1987	102 1/2
Alcan 10 1/2% 1987	103 1/2
Alcan 11 1/2% 1987	104 1/2
Alcan 12 1/2% 1987	105 1/2
Alcan 13 1/2% 1987	106 1/2
Alcan 14 1/2% 1987	107 1/2
Alcan 15 1/2% 1987	108 1/2
Alcan 16 1/2% 1987	109 1/2
Alcan 17 1/2% 1987	110 1/2
Alcan 18 1/2% 1987	111 1/2
Alcan 19 1/2% 1987	112 1/2
Alcan 20 1/2% 1987	113 1/2
Alcan 21 1/2% 1987	114 1/2
Alcan 22 1/2% 1987	115 1/2
Alcan 23 1/2% 1987	116 1/2
Alcan 24 1/2% 1987	117 1/2
Alcan 25 1/2% 1987	118 1/2
Alcan 26 1/2% 1987	119 1/2
Alcan 27 1/2% 1987	120 1/2
Alcan 28 1/2% 1987	121 1/2
Alcan 29 1/2% 1987	122 1/2
Alcan 30 1/2% 1987	123 1/2
Alcan 31 1/2% 1987	124 1/2
Alcan 32 1/2% 1987	125 1/2
Alcan 33 1/2% 1987	126 1/2
Alcan 34 1/2% 1987	127 1/2
Alcan 35 1/2% 1987	128 1/2
Alcan 36 1/2% 1987	129 1/2
Alcan 37 1/2% 1987	130 1/2
Alcan 38 1/2% 1987	131 1/2
Alcan 39 1/2% 1987	132 1/2
Alcan 40 1/2% 1987	133 1/2
Alcan 41 1/2% 1987	134 1/2
Alcan 42 1/2% 1987	135 1/2
Alcan 43 1/2% 1987	136 1/2
Alcan 44 1/2% 1987	137 1/2
Alcan 45 1/2% 1987	138 1/2
Alcan 46 1/2% 1987	139 1/2
Alcan 47 1/2% 1987	140 1/2
Alcan 48 1/2% 1987	141 1/2
Alcan 49 1/2% 1987	142 1/2
Alcan 50 1/2% 1987	143 1/2
Alcan 51 1/2% 1987	144 1/2
Alcan 52 1/2% 1987	145 1/2
Alcan 53 1/2% 1987	146 1/2
Alcan 54 1/2% 1987	147 1/2
Alcan 55 1/2% 1987	148 1/2
Alcan 56 1/2% 1987	149 1/2
Alcan 57 1/2% 1987	150 1/2
Alcan 58 1/2% 1987	151 1/2
Alcan 59 1/2% 1987	152 1/2
Alcan 60 1/2% 1987	153 1/2
Alcan 61 1/2% 1987	154 1/2
Alcan 62 1/2% 1987	155 1/2
Alcan 63 1/2% 1987	156 1/2
Alcan 64 1/2% 1987	157 1/2
Alcan 65 1/2% 1987	158 1/2
Alcan 66 1/2% 1987	159 1/2
Alcan 67 1/2% 1987	160 1/2
Alcan 68 1/2% 1987	161 1/2
Alcan 69 1/2% 1987	162 1/2
Alcan 70 1/2% 1987	163 1/2
Alcan 71 1/2% 1987	164 1/2
Alcan 72 1/2% 1987	165 1/2
Alcan 73 1/2% 1987	166 1/2
Alcan 74 1/2% 1987	167 1/2
Alcan 75 1/2% 1987	168 1/2
Alcan 76 1/2% 1987	169 1/2
Alcan 77 1/2% 1987	170 1/2
Alcan 78 1/2% 1987	171 1/2
Alcan 79 1/2% 1987	172 1/2
Alcan 80 1/2% 1987	173 1/2
Alcan 81 1/2% 1987	174 1/2
Alcan 82 1/2% 1987	175 1/2
Alcan 83 1/2% 1987	176 1/2
Alcan 84 1/2% 1987	177 1/2
Alcan 85 1/2% 1987	178 1/2
Alcan 86 1/2% 1987	179 1/2
Alcan 87 1/2% 1987	180 1/2
Alcan 88 1/2% 1987	181 1/2
Alcan 89 1/2% 1987	182 1/2
Alcan 90 1/2% 1987	183 1/2
Alcan 91 1/2% 1987	184 1/2
Alcan 92 1/2% 1987	185 1/2
Alcan 93 1/2% 1987	186 1/2
Alcan 94 1/2% 1987	187 1/2
Alcan 95 1/2% 1987	188 1/2
Alcan 96 1/2% 1987	189 1/2
Alcan 97 1/2% 1987	190 1/2
Alcan 98 1/2% 1987	191 1/2
Alcan 99 1/2% 1987	192 1/2
Alcan 100 1/2% 1987	193 1/2

Crédit Industriel et Commercial

cic group

The leading private banking organisation in France

LONDON
74 London Wall EC2M 5NE
Telegraphic address: Canonica Ldn EC2
Phone 638 57 00 (20

Town hall lotteries become big business

BY DAVID CHURCHILL

THE BOOM in town hall lotteries is here. Littlewoods, the Liverpool-based pools giant, has just broken into the £100m-plus-a-year local authority lottery business by launching 20 lotteries for the Greater London Council and most of the London boroughs. This was the biggest single lottery launch since local authorities were given the power to raise money in this way just over a year ago.

Littlewoods has joined its rivals Vernons and Ladbroke's and a host of smaller companies—in one of the fastest growing sectors in the economy: gambling.

Over the past year 282 local authorities—more than half the total number in Britain—have encouraged local citizens to lay out 25p a ticket in the hope of winning up to £1,000 in prize money. About 10p of the ticket price finds its way to the local authority to use on community projects such as extra sports facilities or travel scholarships. The rest goes to prizes and the cost of administering the lottery.

In addition, at least 361 charities, sports clubs, and other social organisations have registered with the Gaming Board to run lotteries under the 1976 Lotteries and Amusements Act.

With applications for registering new lotteries being made at the rate of 40 a week, the original estimated total turnover for all public lotteries this year of at least £100m, is likely to be comfortably exceeded.

It is market size—much larger than had been expected when the go-ahead was given by Parliament—that has lured in the big betting organisations. And with

the possibility that the legal limits on the gross takings of a lottery will be increased, the competition will get even fiercer.

Local authorities have been only too pleased in most cases to off-load responsibility for running their lotteries on to the big specialist companies. Lacking the expertise and resources of these gambling organisations, councils would find themselves hard pressed to run a lottery efficiently with only £1m turnover a year. But by organising a number of lotteries, the major companies can spread their overheads over a much greater turnover.

The lottery promoters take over-all responsibility for finding agents, printing tickets, publicity, organising draws, and paying out prize money. All the local authority has to do is nominate a worthy use for its share of the revenue. The GLC, for example, is putting £25,000 towards setting up a resident theatre company at London's Old Vic.

Profitability

In return the promoters expect to take about 3 per cent. of sales as profit. For a weekly lottery with £10,000 turnover, this represents some £300 a week. But for a company like Ladbroke's, which hopes to run 100 lotteries by the end of the year, this could mean annual profits of up to £1.5m.

But there are already rumblings in some quarters that the lotteries have become too commercialised. They were set up originally as a means for local authorities and charities to receive extra income for specific community projects. These projects are certainly receiving the benefit of the lotteries boom:

but in the process the betting companies have virtually established a national lottery organisation against the express intentions of Parliament.

This is shown by the fact that although Littlewoods is organising 20 lotteries in London—selling up to 800,000 tickets a week—the other major companies will be seeking similar or even greater ticket sales in London.

Ladbroke's Cashcade lottery, for example, is already selling almost 1m. tickets a week in London even though it only acts on behalf of three London boroughs. Its ability to challenge in any area where Littlewoods has the local authority franchise is due to the loophole that, for national charities, tickets can be sold anywhere in the country.

When a charity like the National Society for Mentally Handicapped Children stands to gain some £2m. a year from its 10 lotteries—each registered at a different branch—for doing little more than lending its name to the lottery, it is hardly surprising that the gambling boom has been welcomed with open arms by all types of organisation.

The public's imagination has undoubtedly been caught by the "instant-winner" type of lottery which is far and away the most popular. For 25p. punters can buy, from newsagents, pubs, garages and a multitude of other retailers, a ticket which shows straight away if you are a winner. There is a 13 to 1 chance of winning a prize, from 50p to £1,000.

These tickets, which vary in format, involve the purchaser uncovering numbers or letters on the ticket by rubbing away the surface with the edge of a



Mr. Peter Moores, chairman of Littlewoods, pictured with the GLC chairman, Mr. Lawrence Bains, at the launch of National Lotteries.

coin. If three identical characters are revealed the ticket is a winner. For small prizes such as 50p or £1 the winner can claim his prize from the vendor of the ticket. Larger prizes have to be claimed from the town hall or agent's offices.

The other common types of lotteries are a straight forward premium-bond style draw, or a mixture of the instant lottery and weekly draw.

The opportunity for the public to support its local town hall or favourite charity came mainly as a result of the luck of a single MP. Mr. Graham Page, Tory MP for Crosby and a former Minister for Local Government, twice won the

ballot for private members' Bills in the Commons. After his Bill to set up local authority lotteries failed the first time, he used his

second chance to present it again. Subsequently the Government put forward its own, similar, proposals which forced Mr. Page to withdraw his draft legislation. Although the Government's Bill became law in August, 1976, it did not come into force until April, 1977.

One of the main differences between the Government's and Mr. Page's Bills was the limit on the size of the lotteries. Mr. Page had put the limit for gross takings for any one authority at £5m. a year, or around £100,000 a week. But the Government's Act set the limits at £10,000 a week, or £500,000 a year.

For less frequent lotteries, the turnover for any one lottery is higher but still limited. Promoters of no more than 12 lotteries a year can raise £20,000

a time and give a first prize of £1,500. If four lotteries are held a year, ticket sales can be £40,000 for each with the top prize being £2,000.

Most lotteries are of the weekly variety which guarantees more winners and is therefore more popular. But a seaside town, for example, could hold all 52 lotteries during the summer season to take advantage of holiday-makers.

The lottery revenue, whether it is £10,000 or £40,000, is theoretically split 40 per cent. to the local authority or charity, 40 per cent. as prizes, and the remaining 20 per cent. to cover organiser's expenses and commission. Littlewoods, on a weekly lottery, are guaranteeing a return to the promoting council of £4,125 a week, while Ladbroke's pay £4,000 on maximum sales of 40,000 25p tickets.

Thus a local authority or charity can net over £200,000 a year for very little work.

Chester-le-Street District Council, which was early in the field, has had over 40 draws with sales averaging £7,000 each. On this basis, net income is likely to be around £150,000 a year. Nottingham City Council, however, sold out its first week of 40,000 lottery tickets within 48 hours and, if this is repeated throughout the year, it would receive £208,000.

The problem for the lottery companies is that prizes and expenses are related to the actual, not potential, sales. It is for this reason that most promoters keep prizes below the permitted maximum.

Commission

Ladbroke's anticipates retaining between 1 and 3 per cent. net as profit from each scheme depending on the level of ticket sales. Commission to agents—Ladbroke's has over 3,300 nationwide—is believed to be about 7 per cent. although this varies from lottery to lottery. About £700 a week goes on printing and administration and the balance on commission and the rest of the operation.

Vernons launched its instant lotteries towards the end of last year. It now runs 83 lotteries, of which 88 are on behalf of local authorities.

Since it started, Vernons estimate that over 20m. tickets have been sold, netting £2m. £4m. plus which the Littlewoods for prize winners and £2m. for the council or charity.

Ladbroke's launched its first lottery last February. And its claims to have 88 now—one more than Vernons—but calculates that the total will top 100 later this year. Mr. Cyril Stein, chairman of the Ladbroke's Group, estimates that in the first full year of operation its lottery ticket sales will exceed £200m., raising some £20m. for the sponsoring organisation, favour such a move, if returned to power.

sists largely of specialist security printers who either have traditionally run small lotteries or have entered the market to help local authorities which do not work through one of the big companies. About a quarter of councils, in fact, are prepared to run their own lotteries to ensure that all proceeds, after expenses, go to the stated purpose.

Yet such lotteries, which are usually on a monthly or even quarterly basis, are not of the "instant" type, and are not proving as successful as the more commercial operations of the big companies. And there is nothing to stop rival instant lotteries for a charity or sports organisation being set up in direct competition by one of the big companies.

But the next obvious step is towards setting up a national lottery, to benefit such areas as the Health Service and with prizes of up to £100,000. Ladbroke's Cyril Stein believes that the present lottery system will be the forerunner of a national lottery and says his company would be prepared to run it. To a certain extent, however, the big lottery promoters are already running national lotteries in that they sell the same tickets all over Britain. Only the name is different. The game is still the same.

This is a long way from the £100m. plus which the Littlewoods for prize winners and £2m. for the council or charity. And if the present restrictions on lottery size are lifted then the profits to local authorities, punters and promoters will rise accordingly.

The report of the Royal Commission on gambling, due out later this month, could lift this recommendation such a relaxation. And the Conservatives have already indicated they would favour such a move, if returned to power.



There have been a few Changes in Banking since their Time—for instance, the Development of the Euromarket.

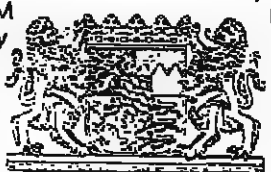
The world of finance is getting more complex by the day with floating currencies, new debt instruments and an increasing demand for international funding being only some of the newer developments calling for ever greater professional banking expertise.

With Bayerische Landesbank as your banker, you can rest assured that you'll get all the necessary financial experience you'll need and more—you'll have a partner who combines personal friendliness, the type Bavarians are known for, with professional drive.

As one of the largest "universal banks" in West Germany, bankers to the State of Bavaria, and with a balance sheet total of close on DM 60 billion, you'll know that we have the financial capacity whatever the size of your project. Our refinancing ability for DM loans is strengthened by our authority to issue own bearer bonds. In addition, we have the management capacity to put together world-wide syndicates. For Euromarket lendings, be it for short-term trade financing or medium and long-

term capital investments, our subsidiary, Bayerische Landesbank International S.A., Bayemlux for short, is at your service. As in Munich, in Luxembourg too you'll find the same high professional standards seasoned with Bavarian friendliness and that this rare combination is appreciated by a demanding clientele is best reflected in the fact that Bayemlux's balance sheet total increased from DM 3.75 billion to almost DM 5.2 billion during the last financial year ending September 30, 1977. Our investment advisory services in Luxembourg have also gained recognition particularly in the field of fixed interest securities and other investment certificates. And our money market and foreign exchange operations complement our Euromarket facilities.

When you are looking for a partner in the Euromarket you can't do better than Bayerische Landesbank. Bayerische Landesbank Girozentrale 8 München 2, Briener Strasse 20 Tel.: 217 11, Telex: Foreign Dept. 524 324 Cables: Bayemlux Munich S.W.L.F.T. Address: BYLA DE MM



Bayerische Landesbank Girozentrale

International Banking with Bavarian Drive and Friendliness



Lloyds Bank Interest Rates

Lloyds Bank Limited has increased its Base Rate from 7½% to 9% p.a. with effect from Wednesday 10th May 1978. The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts is increased from 4% to 6% p.a.

The change in Base Rate and Deposit account interest will also be applied from the same date by the United Kingdom branches of

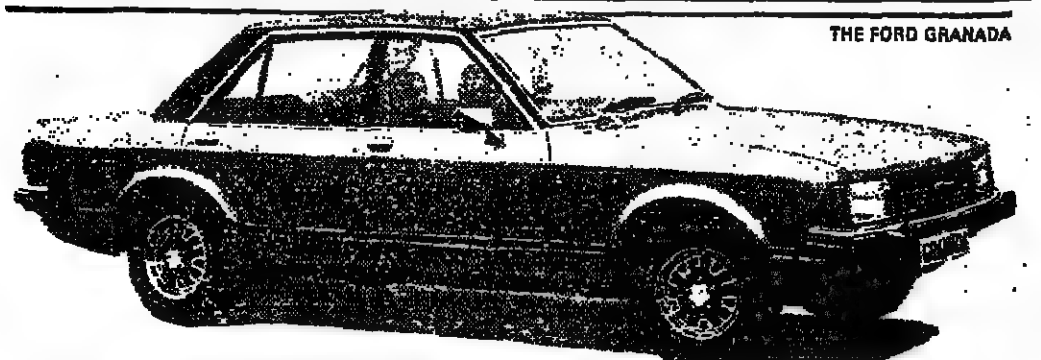
Lloyds Bank International Limited
The National Bank of New Zealand Limited
and by
Lewis's Bank Limited

TSB BASE RATE

With effect from the close of business on Wednesday 10th May 1978 and until further notice TSB Base Rate will be 9% per annum.



TRUSTEE SAVINGS BANKS
Central Board,
P.O. Box 33, 3 Cophall Avenue, London EC2P 2AB.



HAROLD PERRY MOTORS LIMITED

Ford Main Dealers
1977 RESULTS

	1977 £'000	1976 £'000
Group Sales	67,381	51,641
Profit before Tax	2,774	1,578
Retained Earnings	2,587	1,460
Earnings per share	62.9p	35.5p

* Dividends increased by permitted maximum
* One for one bonus issue of ordinary shares

* 1978 First quarter profit of £1,100,000 compared with £806,000 in 1977

Copies of the Chairman's statement and the 1977 report and accounts can be obtained from The Secretary, 279 Ballards Lane, North Finchley, London N12 8NS.

DAN-AIR's NORWAY CONNECTIONS

17 direct flights from the UK to Norway each week

NEW ROUTE from 1st April 1978

If you haven't got the details ring 01-680 1011

DAN-AIR 1953-1978
Flew 3 million passengers last year.

APPOINTMENTS

Senior posts in Wilkinson Match European region

Mr. R. H. Bartlett, at present managing director of the UK region of WILKINSON MATCH, has been appointed managing director of the group's new European region, responsible for the manufacture and marketing of its consumer products range throughout Europe. At the same time Mr. Richard Bartlett, deputy managing director of Wilkinson Products (U.K.), takes over special responsibility for developing the tools, housewares and scissor business in the U.K. including True Temper tools in both the U.K. and continental Europe.

Mr. P. A. W. Eversard has been appointed president of EVERARDS BREWERY, having held the position of chairman for 29 years. He retains his directorship. Mr. R. O. Satch has become chairman. He was a director of Eversard from 1968 to 1975.

Mr. Peter A. Armstrong has joined V. H. MINNEY AND CO. as director and as managing director of the aviation division.

Mr. David A. Russell has been appointed chairman and managing director of the ROSSER AND RUSSELL GROUP on the retirement of Mr. D. Russell Nayler.

Mr. G. J. Bewick has been appointed group financial controller of RHODON and also a member of the company's executive committee. Mr. E. S. Neesh is now group chief accountant.

Mr. John Lowe has been appointed director of PIG IMPROVEMENT COMPANY, a member of the Dalgety Group, and also becomes a deputy chief executive of the livestock division.

Mr. Elizabeth Keenan has been appointed chairman of the INDEPENDENT BROADCASTING AUTHORITY's Local Advisory Committee for Independent Local

Radio in the Teesside area. She succeeds Mr. Nigel Mole who has retired. Three new members of the Local Advisory Committee are: Mr. Malcolm Thompson, Mr. Peter Rowbottom and Mrs. Rosemary Fosse.

Mr. John Gresham has been appointed chairman of CERTAINTEED CORPORATION from May 15 and Mr. Roger Martin (chairman and chief executive of Saint-Gobain-Pont-A-Mousson), becomes vice-chairman. Mr. Marcel Leveque, executive vice-president and chairman of the operating committee of Certainteed, will be president and chief executive. These changes follow the resignation of Mr. Donald Meads as chairman and chief executive of Certainteed. He has been made a consultant both to Certainteed and its parent company, Saint-Gobain-Pont-A-Mousson.

Mr. Richard Miles, chairman and chief executive officer of American Express International Bank for Corporation, and Mr. Bernard Kelly, managing director of Compagnie Monegasque de Banque, have been appointed directors of INSULO CORPORATION.

Mr. Alex Hurst has been appointed managing director of POSTER TURNER AND BENSON. He joined PTB as a director in 1976.

Mr. John E. Newnam has been appointed chairman of the TRANSHARVE MUTUAL STRIKE ASSURANCE ASSOCIATION for a two-year period. He succeeds Mr. Norman H. Finall. Mr. Albert R. van der Eb has been made deputy chairman.

Mr. Terry R. Day has been appointed managing director of PLOTIC GROUP, a subsidiary of Petrovac Group.

Mr. R. W. Goodall, Mr. E. Taley

times as joint managing director with Mr. E. M. Hyman. Mr. W. P. Rao and Mr. D. S. Cohen have resigned from the Board. The changes follow the acquisition of the company by G. M. Fiat A.G. from Stalex International.

Mr. W. Bennett has been appointed technical director of ALCAN BOOTH EXTRUSIONS.

Mr. Brian Barker has been appointed sales director of AUDIO AND VISION, a subsidiary of C. A. Moon (Holdings).

Mr. John Phillips has been appointed director of personnel of CONSOLIDATED PNEUMATIC TOOL COMPANY.

Mr. I. A. Denney has joined the Board of KENNEDY LEON as group managing director. Mr. K. G. Mill has retired from the position and has become chief executive concerned with international marketing. Mr. Denney also joins the Board of member companies Bram International, EEE and EEL.

Other directors appointed to Bram International are Mrs. J. Watson Todd (sales), Mr. R. Strathie (development) and Mr. J. P. MacIntyre (purchasing).

Mr. Bill Bewley has been appointed managing director of THORSMAN & CO. (U.K.), a member of the Ericsson Group.

Mr. H. W. Watt has been appointed to the Board of C. E. HILLS INSURANCE.

Mr. Sam Caddick, commercial director, and Mr. Harold L. Peace, sales director, are to retire from the Board of JAMES WILKES at the end of this month.

Mr. E. Wagner and Mr. D. R. M. Pennell have joined the Board of BELLOW MACHINE. Mr. Marshall Bellow has been appointed chairman and co-

the Board of the BRITISH BANK OF THE MIDDLE EAST.

Mr. P. A. C. Seymour has been appointed general manager of TARGET LIFE ASSURANCE COMPANY from May 12 and will continue as the company's secretary. He will also become a director of Target Trust Group from the same date. He succeeds Mr. R. W. Taylor, who is leaving to take up another appointment.

Mr. P. S. Overden is to resign as company secretary of BOURNE and HOLLINGSWORTH on May 13 and from the Board on May 31. Mr. M. J. Hart will become secretary from May 13.

Mr. John E. Bailey, a former sales and marketing manager for the WELLMAN BIRBY COMPANY, has returned to the company as marketing director. Mr. Malcolm Jones has been made production control manager at the Dewsbury works.

Mr. Terry Henssey, men's wear product group manager for the U.K. branch of the 'INTER-NATIONAL WOOL SECRETARIAT', has been appointed marketing division manager for U.K. and Ireland. He replaces Mr. Tony Gould who has become branch general manager for the U.K. and Ireland.

Mr. Ian Hamilton, general manager Stansfeld Airport, has been appointed general manager-passengers services at HEATHROW AIRPORT from May 3. Mr. Alan Proctor, deputy external relations manager at the BAA's head office in London, has been made general manager (despite) Stansfeld and will take up his post in July.

Mr. Geoffrey Sharples has been appointed chairman of the Air Transport Committee of the Italiano in Rome.

Merseyside Chamber of Commerce. Mr. Sharples is purchasing manager of E. R. Squibb and Sons. The new vice-chairman of the Committee is Mr. John Saunders, an architect with a practice in Liverpool.

Mr. Harry Gadd has been appointed chief education and training officer of the ENGINEERING INDUSTRY TRAINING BOARD from July 1. He succeeds Mr. Joe Moon, who becomes director of the Board on that date. Since 1973 Mr. Gadd has been responsible for the aerospace, industrial sector manager, with instrumentation, office machine and equipment and light engineering industries.

The Secretary for Trade has appointed Mrs. Romaloe Hart and Mr. Manon Hassan as part-time members of the NATIONAL FILM FINANCE CORPORATION for three years.

Dr. Antonio Perrazzelli has been appointed an associate director of the ITALIAN INTERNATIONAL BANK. Dr. Perrazzelli was previously with Istituto Bancario Italiano in Rome.



Mr. R. H. Bartlett

COMPANY NOTICES

PAN-HOLDING

Registered Office Luxembourg
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
The Annual General Meeting of shareholders of Pan-Holding S.A. will be held at its registered office at 10, Boulevard de la Woluwe, 1200 Brussels, Belgium, on May 30, 1978, at 3 o'clock p.m. The agenda and voting rights of the shareholders are set out in the following matters:

1. Acceptance of the Directors' and Auditors' report.
2. Approval of the financial statements for the year ended December 31, 1977.
3. Declaration of a dividend for 1977 and its date of payment.
4. Discharge of the Directors and the Auditors with respect to the year 1977.
5. Statutory nominations.
6. Determination of the Directors' remuneration for the year 1977.
7. Determination of the Remuneration of the Auditors for the year 1977.

The owner shares may be deposited either at the registered office of the Company in Luxembourg, or with any banking or financial institution named by the Company. Depository certificates must be presented to the Company at the time of the meeting.

No depository certificate is required with respect to registered shares.

THE BOARD OF DIRECTORS.

INTERNATIONAL COMMODITY SHARE FUND "ICOFUND S.A."

Société Anonyme
23, avenue de la Porte-Neuve
LUXEMBOURG
R.C. Luxembourg B 7542
NOTICE
Pursuant to a resolution of the Annual General Meeting of Shareholders held on the 25th of April 1978, payment of US\$0.20 per share will be made on the 25th May 1978, with possibility of conversion in shares at the rate of 10:1. The shareholders are requested to present their shares or to indicate their application before the payment date.

Paying agent:
Banca Commerciale Italiana in Milano
Banca della Svizzera Italiana in Lugano and in Zürich
Banque de Paris et des Pays-Bas in Paris, Amsterdam, Brussels, Geneva and London
Banque de l'Etat de Luxembourg pour le Grand-Duché de Luxembourg in Luxembourg

AUGUST TRUSTEES LIMITED

DEPOSIT CERTIFICATES
National Westminster Bank Limited gives notice that it will now be issuing for the first time, on 24 April 1978, the Deposit Certificate at the rate of £2,217.15 per £100 unit. United Kingdom Income Tax is shown below will be deducted unless otherwise accompanied by an appropriate tax return declaration.

Gross Dividend of £11.10 per unit
Unit £2,217.15
United Kingdom Income Tax £0.225472
Net Dividend £10.875028

Claims should be lodged at Stock Office, 25 Abchurch Lane, London EC4N 3DF, on or before 24 May 1978. The Stock Office is open for business on 24 May 1978 from 10.00 a.m. to 4.00 p.m. only. Bank payment of dividend in cash is provided on the back of the certificate.

THE BANK OF ADELAIDE
The Bank of Adelaide's Transfer Books will close for dividend on 25th May 1978 and re-open on 29th May 1978. By Order of the Board, General Manager.

ART GALLERIES

BROWNE AND DAREY, 19 Cork St., W.1, TICKET, Mon-Fri, 10.00-5.30, Sat, 10.00-12.30. Last week.
COLLAGNI, 14, Old Bond Street, W.1, 1700-1800.
FOX GALLERIES, Exhibition of the paintings, British and European Artists from 1700-1800.
PORTFOLIO PAINTERS, Royal Society of Portrait Painters, The Mall, London, W.1, Tel. 01-734 2628. Weekdays 10.00-6.00, Sat. 10.00-5.00.
SLAUGHTER GALLERIES, 158 Sloane St., W.1. Modern paintings, sculpture, prints, wide range of prices. Tues.-Sat. 10.00-6.00, Sun. 10.00-1.00.
WILDERSTEIN, A Loan Exhibition of TWENTY MASTERPIECES FROM THE NATIONAL GALLERY, 10-12.30, Weekdays 10-5.30, Saturdays 10-12.30. Unit City of Birmingham Royal Palace, 147, New Bond Street, W.1.

BUSINESS AND INVESTMENT OPPORTUNITIES

GENEVA

Full Service, in our Business
• Law and Taxation.
• Mailbox, telephone and telex services.
• Translations and secretarial services.
• Formation, domiciliation, and administration of Swiss and foreign companies.
Full confidence and discretion
BUSINESS ADVISORY SERVICE
1 rue de la Gare, 2ème Etage
Tel. 36 05 48, Telex 2386.

PUBLIC NOTICES

CENTRAL REGIONAL COUNCIL
£50,000,000 bills issued 10.5.78 at 8 1/2% to mature 10.5.83. Total applications £21m. Total outstanding £5m.
GLASGOW DISTRICT COUNCIL
Bills issued 10 May 1978 £4.7m. at 8 1/2% to mature 10 August 1978. Total applications £5m. Total outstanding £2.7m.
HAMPSHIRE COUNTY COUNCIL
£50,000 bills issued 10.5.78 at 8 1/2% to mature 10.5.83. Total applications £20m. Total outstanding £1.5m.
METROPOLITAN BOROUGH OF STOCKPORT
£1,000,000 bills issued 10.5.78 at 8 1/2% to mature 10.5.83. Total applications £5m. Total outstanding £3m.

CLASSIFIED ADVERTISEMENT RATES

	Per line	Single column cm.
Commercial & Industrial	4.50	14.00
Residential Property	2.50	8.00
Appointments	4.50	14.00
Recruitment & Employment	5.50	18.00
Loans, Production	4.50	14.00
Capacity, Business	4.50	14.00
For Sale/Wanted	4.50	14.00
Business, Motor	4.50	14.00
Contracts & Tenders	4.50	14.00
Personal, Gardening	4.50	14.00
Books and Travel	4.50	14.00
Book Publishers	4.50	14.00

Premium positions available (Minimum 500 columns cm. each)
£1.50 per single column cm. each
For further details write to:
Classified Advertisement Manager,
Financial Times,
10, Cannon Street, EC4A 3DF.

National Westminster Bank

NatWest announces that with effect from Wednesday, 10th May, 1978, its Base Rate is increased from 7 1/2% to 9% per annum.

The basic Deposit and Savings Account rates will be increased from 4% to 6% per annum.

Bank of New South Wales

Bank of New South Wales announces that with effect from Thursday, 11th May 1978 its base rate for lending will be increased from 7 1/2% to 9% per annum

Bank of New South Wales,
29 Threadneedle Street,
London, EC2R 8BA.

Incorporated in Australia with limited liability.

Co-operative Bank

With effect from May 10th, 1978 the following rates will apply

Base Rate Change
From 7 1/2% to 9% p.a.

Also:
7 Day Deposit Accounts 6% p.a.
1 Month Deposit Accounts 6 1/2%

The Royal Bank of Scotland

INTEREST RATES
The Royal Bank of Scotland Limited announces that with effect from 10th May 1978 its Base Rate for lending is being increased from 7 1/2 per cent. per annum to 9 per cent. per annum

The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank will be increased to 6 per cent. per annum.

Yorkshire Bank Base Rate

With effect from 10th May 1978 Base Rate will be changed from 7 1/2% to 9% p.a.

Yorkshire Bank Limited

Reg. Office: 2 Infirmary Street
Leeds LS1 2UL

THE HONGKONG BANK GROUP BASE RATES

The Hongkong and Shanghai Banking Corporation and The British Bank of the Middle East announce that their base rate for lending is being increased, with effect from 10th May, 1978, To 9% per annum from 7 1/2% per annum

Clydesdale Bank

BASE RATE

Clydesdale Bank Limited announces that with effect from 10th May 1978 its Base Rate for lending is being increased from 7 1/2% to 9% per annum.

Coutts & Co

Coutts & Co. announce that their Base Rate for lending will be increased from 7 1/2% to 9% per annum for balances in their books on and after 10th May, 1978 and until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 4% to 6% per annum.

Midland Bank Base Rate

Midland Bank Limited announces that with effect from Wed. May 10th 1978, its Base Rate is increased by 1 1/2% to 9% per annum.

Deposit Accounts
Interest paid on accounts held at branches and subject to 7 days' notice of withdrawal is increased by 2% to 6% per annum.



Midland Bank

FARMING AND RAW MATERIALS

Farm talks move towards climax

BY MARGARET VAN HATTEN

AFTER ANOTHER day of inconclusive talks, EEC Agriculture Ministers negotiating the annual farm price review broke off early this evening in anticipation of a crucial marathon session tomorrow.

The Commission is expected to table later to-morrow its final proposals representing a compromise between the different national positions. Reaction to this should determine whether there is to be a settlement this week.

Although there has been no apparent progress to-day on the biggest problem area — the financing of a 1.9bn. units of account package of aids to Mediterranean producers, on which Britain and Germany are in the most difficult position, the proportion of proposed Community spending should be cut — the shape of the final agreement is beginning to emerge.

Sugar pact unlikely to meet schedule

THERE ARE still serious doubts whether the International Sugar agreement reserve stock financing scheme will be brought into effect on schedule, on July 1, reports Reuters.

Delegates attending International Sugar Organisation meetings in London point out that Japan and the U.S. have yet to pass the necessary legislation, and the Soviet Union has so far said it will not implement the scheme.

As a result, next week's meeting of the Executive Committee and the full council may postpone introduction of the stock financing fund, delegates stated.

This fund would be used to help countries finance the reserve stocks that, along with

BRUSSELS, May 9.

At this stage, no single issue appears big enough to threaten the entire package. The fact that British and German opposition to the cost of the Mediterranean projects has emerged so late in the proceedings, five months after the proposals were first put forward, suggests a bargaining ploy rather than fundamental objection.

British and German officials privately admitted as much to-day. Moreover, both countries have been careful to avoid taking a hard-line position here.

Other thorny issues — milk and cereal prices, pigmeat subsidies, wine, the U.K. milk marketing Board — though not resolved, appear to be of secondary importance, and, therefore, even less likely to cause a breakdown.

Sterling grain bill 'lost Canada \$82m.'

BY OUR COMMODITIES STAFF

WINNIPEG, May 9.

THE CANADIAN Wheat Board has told how it lost \$82.1m. on sales of 1.2bn. bushels of grain to China between 1961 and 1976 because of the fall in the value of the pound.

In its latest issue of Grain Matters, sent to Canadian farmers, the Board says China insisted on paying in sterling for all grain contracts between 1961 and 1976 and that payment be deferred.

"With the declining value of sterling in later years," the Wheat Board says, "the result was a net difference of about \$82.1m. between the Canadian dollar value at time of sale and the Canadian dollars actually received."

China-watchers in Hong Kong say millions of Chinese commune members in two eastern provinces are fighting a persistent drought which is threatening wheat and other crops.

In Anhui Province 3.2m.

people started anti-drought operations a month ago to irrigate parched wheat fields and sow sorghum and maize.

In Kiangsu Province 2.5m. people were moved into anti-drought work in a bid to save wheat, maize and cotton crops.

Canada's coarse grain supplies for the 1977-78 crop year are likely to be at least as large as those in the current season, according to a new report on prospects.

"Overall, year-end stocks of coarse grains for the 1977-78 crop year are likely to be at least a third from levels at the beginning of the year," the report said.

Domestic use of coarse grains is not expected to show much change from 1977-78 levels and the carryover may rise further next year if exports do not increase.

Tin prices surge ahead

By John Edwards

COMMODITY PRICES surged ahead again on the London Metal Exchange yesterday. Despite some late profit-taking in the afternoon, standard grade cash tin closed at £2,695 a tonne — its highest point since December — and some £900 higher than a month ago.

Yesterday's rise was attributed to an unexpectedly sharp increase in the Pwong market overnight when supplies had to be rationed because of continuing demand.

London values were further boosted by a continuing shortage of supplies immediately available, and the weaker tone of sterling.

Other base metal markets, however, were quiet and subdued. More North American lead producers followed the cut in the U.S. domestic price of 2 cents down to 31 cents a pound.

Hudson Bay of Canada announced it was lifting its European produced price by \$25 to \$375 a tonne in line with the increase in the price of Noranda at the end of last week.

In Lusaka, Mr. Kingsley Chinkulu, Zambia Mines Minister, gave out about 100 tons of copper was being held up on the way to world markets because of transport problems.

He urged the 4,000 white miners to the copperbelt not to panic over Zambia's present economic crisis.

EGG ECONOMICS

Making the most of layers

BY OUR COMMODITIES STAFF

EGG FARMERS in Britain who handle their own sales through wholesalers and retail shops make far bigger profits than their competitors who leave their part of the job to packing stations.

A report just published by the University of Manchester on egg farming shows that the profits of the first group were almost double those of farmers selling to packers.

"The simple reason for the far superior profitability of the producer-wholesaler/retailer (PWR) units was that although their extra costs of marketing added over 3p a dozen to total costs, the extra return from marketing added over 5p a dozen to total returns," the paper says.

But the author, Mr. David Burton, also notes that birds belonging to egg farmers who handled their own marketing tended to produce fewer eggs for the same amount of feed than birds on farms owned by men who left the selling to packing stations. Presumably this is because the first group of pro-

ducers had less time to look after their stock.

"This suggests that if production standards are to be maintained or improved, an envisaged marketing operation should be kept fairly simple," Mr. Burton counsels.

His investigation showed that 45 per cent of the packing station suppliers under study made profits of less than 50p a bird while only 10 per cent of the PWR farmers fell into this group.

On the other hand, more than 20 per cent of the PWR men earned above £150 a layer and only 5 per cent of their counterparts could match this.

Noting that farmers could cut feed costs by 15 per cent by mixing their own rations, Mr. Burton says "profit margins on units purchased from the packers are extremely low on average."

His analysis also emphasises the importance of pushing laying hens to the maximum performance. He shows that producers achieving yields of more

than 250 eggs a year from each bird earned "well over three times" the profits of those averagely fewer than 240 eggs.

For all the profit advantages in by-passing the packing station route to the market, as well as the danger of allowing husbandry standards to slip because of the extra work, a PWR farm need almost twice as much labour per 1,000 birds as the simpler unit.

Packing station suppliers, also seem much more likely to benefit from the economies of scale, certainly up to the 20,000-bird unit. "On the other hand," Mr. Burton remarks, "there was little evidence of economies of scale within the PWR group."

He concludes that if the egg industry continues its recent trend towards contraction, the first to go to the wall will be smaller-scale producers, and the larger-scale producers will be left with a very small number of suppliers who buy in ready-made feed.

"The Economics of Egg Production," by David A. Burton, University of Manchester, Price £2.50.

Milk stance threat

BY DAVID BUCHAN

MR. JOHN SILKIN's defence of U.K. Milk Marketing Boards in the price review talks has been undermined by a European Parliament agricultural committee's resolution which calls for the Boards' abolition and says they are incompatible with Rome Treaty competition rules.

This was the claim made to-day by angry British Labour members of the committee, who said that but for the insistence of Conservative Party Whips on keeping all their members at Westminster for last night's Commons vote on the Finance Bill, the seven to three vote by the Agricultural Committee could have been overturned.

The presence of Tory MPs at

STRASSBOURG, May 9.

Westminster also kept Labour members of the Euro-Parliament committee there.

Mr. Mark Hughes, the U.K. Labour MP who is the rapporteur of the agricultural committee, said all six U.K. members of the committee had been expressly asked by the Milk Marketing Boards to vote down last night's resolution.

Tabled by German, Dutch and Belgian MPs, it argues that the boards are monopolistic and distort trade in EEC milk products. It also claims that the high level of liquid milk sales in the U.K. is due to the efficiency of the distribution system not the boards.

Workers call for watch on farm sales

Financial Times Reporter

FARM WORKERS want the Government to keep a watch on buyers of farmland to ensure that it is used for agriculture.

They are worried about thousands of acres of rural land being bought up for other purposes, or not used at all.

Delegates to the conference of the National Union of Agricultural and Allied Workers at Southampton told their executive to ask the Government to restrict future sales of all agricultural land.

The conference expressed concern at the increased buying of agricultural land by institutions here and abroad.

Mr. Donald Taylor, from Kent, said he was alarmed that about 78,000 acres of prime agricultural land were being acquired each year by people who had no agricultural experience and no intention of farming the land.

... and the best use of pigs

THERE IS an old saying among farmers that every bit of a pig — except the squeal — can be put to good use. True or not, it is a fact that the pig is one of the most efficient animals in the world. It is estimated, for example, that British abattoirs produce about 45,000 tonnes of pigs' blood a year. Three-quarters of this is dumped into the drainage system.

In 1975 the U.K. imported almost 6,500 tonnes of blood powder and plasma.

Most pork bone produced in the U.K. is way into the domestic dustbin at present. Imports of bone meal have been about 1.5m. tonnes a year.

The study also suggests other national economies that could be made for instance, in the greater use of pigs' glands for pharmaceuticals. Imports of such parts in 1978 cost £1.3m. Although synthetic insulin is now common, there is still a market for animal pancreas glands for making the "natural" product.

And, of course, certain Eastern countries are cited as big spenders on gallstones for their reputed medicinal powers.

The report concludes that, since the world needs protein, there must be greater interest in extracting it from the more "marginal" sources. And there is a need for a serious economic inquiry into all aspects of the recovery of by-products so often thrown away by modern abattoirs.

Farm Business Review No. 4, University of Exeter, Price £1.

Soviet study for Guyana alumina plant

THE SOVIET Union is likely to conduct a feasibility study for a proposed 800,000 tons alumina plant to be set up here as part of the expansion and diversification of the local bauxite industry, according to reliable sources.

The Russians have a team here studying possible assistance in the field of mineral exploitation, and a protocol on the alumina project is expected to be signed before the team leaves in another few days.

The sources could not say for a fact whether the Russians believed to be very considerable reserves of lower grade intertille ore readily available in the Linden area. Preliminary studies to determine the optimum processing techniques for

such ores have already been completed.

Alumina expansion is one of a number of projects being considered by the Guyana Development Company, which is the holding company for Guyana Mining Enterprise. Guyamine has absorbed the operations of the two formerly North American-owned companies, Linden and Linden, which is linked to a proposed hydropower scheme — both costing nearly £500m. The target date for this project has now been pushed forward.

One is for an aluminium smelter to be based in the Linden area on the Demerara River and which is linked to a proposed hydropower scheme — both costing nearly £500m. The target date for this project has now been pushed forward.

U.S. opposes palm oil expansion

BY OUR COMMODITIES STAFF

THE U.S. would not support loans through organizations such as the World Bank for further palm oil development in major exporting countries, according to Mr. P. R. Smith, assistant secretary for marketing services in the U.S. Agriculture Department, reports Reuters.

In a speech to the National Cottonseed Products Association, Mr. Smith commented: "We do not feel obligated to provide any money to countries abroad to develop the production of any commodity that is now in over-supply."

He forecasts that, within the next decade, world protein and oil supplies would be abundant, and vegetable oil would be in surplus.

The world potential output of fats and oils for 1978 is forecast at 52.6m. tonnes, 4.6m. tonnes above last year, and world exports are forecast at 17.4m. tonnes, 750,000 above last year.

Vegetable oil prices are stronger than anticipated owing to the weakness of the U.S. dollar, and the less than expected oilseed production in India, the U.S.S.R., China, and Brazil.

Mexican coffee sales expected

NEW YORK, May 9.

MEXICO WILL probably re-open coffee export registrations with the U.S. for the next 30 days limited to 150,000 bags, coffee sources said here yesterday.

They said that the country will apparently open registrations at the 17.25 cent level, fob Laredo. The country's minimum price is expected to change weekly, based on the average of the Brazilian and Colombian indicators minus 5 cents, they added.

COMMODITY MARKET REPORTS AND PRICES

COFFEES—Marking a new low in quiet trading on the London Metal Exchange, forward metal traded between 211 and 217.5, with 215.50, 216.50, 217.50, 218.50, 219.50, 220.50, 221.50, 222.50, 223.50, 224.50, 225.50, 226.50, 227.50, 228.50, 229.50, 230.50, 231.50, 232.50, 233.50, 234.50, 235.50, 236.50, 237.50, 238.50, 239.50, 240.50, 241.50, 242.50, 243.50, 244.50, 245.50, 246.50, 247.50, 248.50, 249.50, 250.50, 251.50, 252.50, 253.50, 254.50, 255.50, 256.50, 257.50, 258.50, 259.50, 260.50, 261.50, 262.50, 263.50, 264.50, 265.50, 266.50, 267.50, 268.50, 269.50, 270.50, 271.50, 272.50, 273.50, 274.50, 275.50, 276.50, 277.50, 278.50, 279.50, 280.50, 281.50, 282.50, 283.50, 284.50, 285.50, 286.50, 287.50, 288.50, 289.50, 290.50, 291.50, 292.50, 293.50, 294.50, 295.50, 296.50, 297.50, 298.50, 299.50, 300.50, 301.50, 302.50, 303.50, 304.50, 305.50, 306.50, 307.50, 308.50, 309.50, 310.50, 311.50, 312.50, 313.50, 314.50, 315.50, 316.50, 317.50, 318.50, 319.50, 320.50, 321.50, 322.50, 323.50, 324.50, 325.50, 326.50, 327.50, 328.50, 329.50, 330.50, 331.50, 332.50, 333.50, 334.50, 335.50, 336.50, 337.50, 338.50, 339.50, 340.50, 341.50, 342.50, 343.50, 344.50, 345.50, 346.50, 347.50, 348.50, 349.50, 350.50, 351.50, 352.50, 353.50, 354.50, 355.50, 356.50, 357.50, 358.50, 359.50, 360.50, 361.50, 362.50, 363.50, 364.50, 365.50, 366.50, 367.50, 368.50, 369.50, 370.50, 371.50, 372.50, 373.50, 374.50, 375.50, 376.50, 377.50, 378.50, 379.50, 380.50, 381.50, 382.50, 383.50, 384.50, 385.50, 386.50, 387.50, 388.50, 389.50, 390.50, 391.50, 392.50, 393.50, 394.50, 395.50, 396.50, 397.50, 398.50, 399.50, 400.50, 401.50, 402.50, 403.50, 404.50, 405.50, 406.50, 407.50, 408.50, 409.50, 410.50, 411.50, 412.50, 413.50, 414.50, 415.50, 416.50, 417.50, 418.50, 419.50, 420.50, 421.50, 422.50, 423.50, 424.50, 425.50, 426.50, 427.50, 428.50, 429.50, 430.50, 431.50, 432.50, 433.50, 434.50, 435.50, 436.50, 437.50, 438.50, 439.50, 440.50, 441.50, 442.50, 443.50, 444.50, 445.50, 446.50, 447.50, 448.50, 449.50, 450.50, 451.50, 452.50, 453.50, 454.50, 455.50, 456.50, 457.50, 458.50, 459.50, 460.50, 461.50, 462.50, 463.50, 464.50, 465.50, 466.50, 467.50, 468.50, 469.50, 470.50, 471.50, 472.50, 473.50, 474.50, 475.50, 476.50, 477.50, 478.50, 479.50, 480.50, 481.50, 482.50, 483.50, 484.50, 485.50, 486.50, 487.50, 488.50, 489.50, 490.50, 491.50, 492.50, 493.50, 494.50, 495.50, 496.50, 497.50, 498.50, 499.50, 500.50, 501.50, 502.50, 503.50, 504.50, 505.50, 506.50, 507.50, 508.50, 509.50, 510.50, 511.50, 512.50, 513.50, 514.50, 515.50, 516.50, 517.50, 518.50, 519.50, 520.50, 521.50, 522.50, 523.50, 524.50, 525.50, 526.50, 527.50, 528.50, 529.50, 530.50, 531.50, 532.50, 533.50, 534.50, 535.50, 536.50, 537.50, 538.50, 539.50, 540.50, 541.50, 542.50, 543.50, 544.50, 545.50, 546.50, 547.50, 548.50, 549.50, 550.50, 551.50, 552.50, 553.50, 554.50, 555.50, 556.50, 557.50, 558.50, 559.50, 560.50, 561.50, 562.50, 563.50, 564.50, 565.50, 566.50, 567.50, 568.50, 569.50, 570.50, 571.50, 572.50, 573.50, 574.50, 575.50, 576.50, 577.50, 578.50, 579.50, 580.50, 581.50, 582.50, 583.50, 584.50, 585.50, 586.50, 587.50, 588.50, 589.50, 590.50, 591.50, 592.50, 593.50, 594.50, 595.50, 596.50, 597.50, 598.50, 599.50, 600.50, 601.50, 602.50, 603.50, 604.50, 605.50, 606.50, 607.50, 608.50, 609.50, 610.50, 611.50, 612.50, 613.50, 614.50, 615.50, 616.50, 617.50, 618.50, 619.50, 620.50, 621.50, 622.50, 623.50, 624.50, 625.50, 626.50, 627.50, 628.50, 629.50, 630.50, 631.50, 632.50, 633.50, 634.50, 635.50, 636.50, 637.50, 638.50, 639.50, 640.50, 641.50, 642.50, 643.50, 644.50, 645.50, 646.50, 647.50, 648.50, 649.50, 650.50, 651.50, 652.50, 653.50, 654.50, 655.50, 656.50, 657.50, 658.50, 659.50, 660.50, 661.50, 662.50, 663.50, 664.50, 665.50, 666.50, 667.50, 668.50, 669.50, 670.50, 671.50, 672.50, 673.50, 674.50, 675.50, 676.50, 677.50, 678.50, 679.50, 680.50, 681.50, 682.50, 683.50, 684.50, 685.50, 686.50, 687.50, 688.50, 689.50, 690.50, 691.50, 692.50, 693.50, 694.50, 695.50, 696.50, 697.50, 698.50, 699.50, 700.50, 701.50, 702.50, 703.50, 704.50, 705.50, 706.50, 707.50, 708.50, 709.50, 710.50, 711.50, 712.50, 713.50, 714.50, 715.50, 716.50, 717.50, 718.50, 719.50, 720.50, 721.50, 722.50, 723.50, 724.50, 725.50, 726.50, 727.50, 728.50, 729.50, 730.50, 731.50, 732.50, 733.50, 734.50, 735.50, 736.50, 737.50, 738.50, 739.50, 740.50, 741.50, 742.50, 743.50, 744.50, 745.50, 746.50, 747.50, 748.50, 749.50, 750.50, 751.50, 752.50, 753.50, 754.50, 755.50, 756.50, 757.50, 758.50, 759.50, 760.50, 761.50, 762.50, 763.50, 764.50, 765.50, 766.50, 767.50, 768.50, 769.50, 770.50, 771.50, 772.50, 773.50, 774.50, 775.50, 776.50, 777.50, 778.50, 779.50, 780.50, 781.50, 782.50, 783.50, 784.50, 785.50, 786.50, 787.50, 788.50, 789.50, 790.50, 791.50, 792.50, 793.50, 794.50, 795.50, 796.50, 797.50, 798.50, 799.50, 800.50, 801.50, 802.50, 803.50, 804.50, 805.50, 806.50, 807.50, 808.50, 809.50, 810.50, 811.50, 812.50, 813.50, 814.50, 815.50, 816.50, 817.50, 818.50, 819.50, 820.50, 821.50, 822.50, 823.50, 824.50, 825.50, 826.50, 827.50, 828.50, 829.50, 830.50, 831.50, 832.50, 833.50, 834.50, 835.50, 836.50, 837.50, 838.50, 839.50, 840.50, 841.50, 842.50, 843.50, 844.50, 845.50, 846.50, 847.50, 848.50, 849.50, 850.50, 851.50, 852.50, 853.50, 854.50, 855.50, 856.50, 857.50, 858.50, 859.50, 860.50, 861.50, 862.50, 863.50, 864.50, 865.50, 866.50, 867.50, 868.50, 869.50, 870.50, 871.50, 872.50, 873.50, 874.50, 875.50, 876.50, 877.50, 878.50, 879.50, 880.50, 881.50, 882.50, 883.50, 884.50, 885.50, 886.50, 887.50, 888.50, 889.50, 890.50, 891.50, 892.50, 893.50, 894.50, 895.50, 896.50, 897.50, 898.50, 899.50, 900.50, 901.50, 902.50, 903.50, 904.50, 905.50, 906.50, 907.50, 908.50, 909.50, 910.50, 911.50, 912.50, 913.50, 914.50, 915.50, 916.50, 917.50, 918.50, 919.50, 920.50, 921.50, 922.50, 923.50, 924.50, 925.50, 926.50, 927.50, 928.50, 929.50, 930.50, 931.50, 932.50, 933.50, 934.50, 935.50, 936.50, 937.50, 938.50, 939.50, 940.50, 941.50, 942.50, 943.50, 944.50, 945.50, 946.50, 947.50, 948.50, 949.50, 950.50, 951.50, 952.50, 953.50, 954.50, 955.50, 956.50, 957.50, 958.50, 959.50, 960.50, 961.50, 962.50, 963.50, 964.50, 965.50, 966.50, 967.50, 968.50, 969.50, 970.50, 971.50, 972.50, 973.50, 974.50, 975.50, 976.50, 977.50, 978.50, 979.50, 980.50, 981.50, 982.50, 983.50, 984.50, 985.50, 986.50, 987.50, 988.50, 989.50, 990.50, 991.50, 992.50, 993.50, 994.50, 995.50, 996.50, 997.50, 998.50, 999.50, 1000.50, 1001.50, 1002.50, 1003.50, 1004.50, 1005.50, 1006.50, 1007.50, 1008.50, 1009.50, 1010.50, 1011.50, 1012.50, 1013.50, 1014.50, 1015.50, 1016.50, 1017.50, 1018.50, 1019.50, 1020.50, 1021.50, 1022.50, 1023.50, 1024.50, 1025.50, 1026.50, 1027.50, 1028.50, 1029.50, 1030.50, 1031.50, 1032.50, 1033.50, 1034.50, 1035.50, 1036.50, 1037.50, 1038.50, 1039.50, 1040.50, 1041.50, 1042.50, 1043.50, 1044.50, 1045.50, 1046.50, 1047.50, 1048.50, 1049.50, 1050.50, 1051.50, 1052.50, 1053.50, 1054.50, 1055.50, 1056.50, 1057.50, 1058.50, 1059.50, 1060.50, 1061.50, 1062.50, 1063.50, 1064.50, 1065.50, 1066.50, 1067.50, 1068.50, 1069.50, 1070.50, 1071.50, 1072.50, 1073.50, 1074.50, 1075.50, 1076.50, 1077.50, 1078.50, 1079.50, 1080.50, 1081.50, 1082.50, 1083.50, 1084.50, 1085.50, 1086.50, 1087.50, 1088.50, 1089.50, 1090.50, 1091.50, 1092.50, 1093.50, 1094.50, 1095.50, 1096.50, 1097.50, 1098.50, 1099.50, 1100.50, 1101.50, 1102.50, 1103.50, 1104.50, 1105.50, 1106.50, 1107.50, 1108.50, 1109.50, 1110.50, 1111.50, 1112.50, 1113.50, 1114.50, 1115.50, 1116.50, 1117.50, 1118.50, 1119.50, 1120.50, 1121.50, 1122.50, 1123.50, 1124.50, 1125.50, 1126.50, 1127.50, 1128.50, 1129.50, 1130.50,

STOCK EXCHANGE REPORT

Dearer money trends and CBI survey upset markets

Gilts extend falls late to £1—Share index down 9 at 471.1

Account Dealing Dates

Option

*First Declara-

Last Account

Dealings Days

Apr. 17 Apr. 27 Apr. 28 May 1

May 2 May 11 May 12 May 23

May 15 May 25 May 26 Jun. 7

* Now time "dealings may take place

from 9.30 a.m. to 2.30 p.m. on

the day of the deal.

The prospect of yet a further

rise in interest rates was cause

for initial concern in stock

markets yesterday. A cheerless

Confederation of British Industry

survey and the sharp increase in

clearing banks' eligible liabilities

to mid-April combined to set the

seal on a gloomy day in both

British Funds and equities.

Recent institutional buyers

shed away throughout when

stock was offered and, although

overall selling pressure was only

light, losses in the funds after

the official close were stretching

to a full point, while leading in-

dividuals, privatised double-figure

losses extending to 12.

Dearer money fears had become

evident before the announcement

of clearing bank base-rate in-

creases to 9 per cent, and there

was speculation that Minimum

Lending Rate would rise again

this Friday, perhaps to 11 per

cent. The CBI pointer to weak

export and a lack of improve-

ment in the general business

situation aroused further pes-

simism.

However, it was the after-hour

news of a 7.1 per cent rise in the

(most banking figures which un-

dermined. Gilts extended falls

sharply lower before the announce-

ment. All maturities

were down by between 10 and 20

cents, with the 10-year gilt

falling to 10.75 per cent. The

10-year gilt fell to 10.75 per

cent. The 10-year gilt fell to

10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

to 10.75 per cent. The 10-year

gilt fell to 10.75 per cent.

The 10-year gilt fell to 10.75

per cent. The 10-year gilt fell

Lending Rate was not enough.

Corporations were dull and

among recently-issued Fixed

Interest 15 per cent.

Convertible 100 per cent.

offered to shareholders by way of

rights, made an uneventful debut

at 110 premium, in nil-paid form.

on each 100 of stock.

The market in Traded Options

was much quieter with contracts

totalling 493 compared with the

previous day's 702. Over 70 per

cent. of yesterday's dealings were

done in three stocks. Courtaulds

(100) Marks and Spencer (100)

and ICI (100). Monday's volume

totals were incorrectly shown in

yesterday's issue: the July

October and January positions

should have been given as 303,

205 and 171 respectively.

In a reasonable two-way busi-

ness, the investment currency

market again traded within a

narrow range with the premium

closing unchanged at 1101 per

cent. after 101 per cent. Yester-

day's conversion factor was 0.824

(0.8205).

Canadian Imperial Bank were

quoted as the rights issue with

the 100 shares at 200 premium.

Autofagasta Railway showed re-

newed firmness. The Ordinary

shares rising 1 to £18.

Banks dull

A rising market of late in

anticipation of an increase in base

lending rates, the major clearing

banks went into reverse yesterday.

Already easier credit, the gener-

ally, prices drifted lower still

and closed at, or near, the day's

lowest following the announce-

ments of rises of 11 to 12 per

cent. in the E.C. Government

Securities Index which, at 71.15,

ended 12 off at 70.00, after 34.00,

while NatWest was a similar

amount lower at 28.50, after 28.00.

Midland also shed 12 to 28.00,

and 10 to 28.00. Bank of Scotland

fell 10 to 28.00, after 28.00. Bank

of Ireland receded 8 to 28.00

following the results but Allied Irish

moved forward 3 to 18.00 in front

of yesterday's annual figures. Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

chant Banks closed throughout with

Guinness Peat 3 lower at 22.00

and Hambro 8 down at 18.00. Still

unsettled by the current trend

of today's annual figures, Mer-

selling following a Press report

that the company is faced with

a price war involving its brands

of whisky sold on the Japanese

market. Leading Breweries turned

easier, with Allied 92p, and Scot-

tish and Newcastle, 60p, record-

ing losses of around 2.

Special reasons were behind the

higher price movements in Build-

ing issues, the surrounding dull-

ness overshadowing the March

recovery in housebuilding.

Standing 4 easier at 38p ahead

of the annual trading statement.

lack of support. Gussies A ended

10 off at 28p and British Home

declined 4 to 18p. Elsewhere

Cope Sportsweek receded 7 to 8p.

Among Shoes, Booth (Inter-

national) gave up 2 to 62p in

reaction to the lower annual

earnings.

Occasional selling and lack of

support made for dullness in the

Engineering leaders. Tubes stood

with a loss of 10 to 36p.

While falls of around 6 were

recorded in GKN, 37p, Hawker,

left "Suits" 4 off at 115p; uncer-

tainty still prevails as to whether

the Office of Fair Trading will

recommend that the bid be re-

ferred to the Monopolies

Commission.

With Lohrho closing unaltered

at 70p, the share exchange offer is

currently worth around 12p per

share. House of Fraser declined

4 to 145p. Elsewhere, Mitch-

ell Cots Transport improved 5 to

73p, for a two-day advance of 13

since it was disclosed that the

parent Mitchell Cots Group in-

tends to acquire the outstanding

25 per cent. of the company's

equity it does not already own.

Chubb hardened 2 to 137p in

response to Press comment while

Central and Sheerwood, 52p, and

Bar and Wallace Arnold Tranny

A, 84p, both hardened a penny

in reaction to their respective

trading statements. Lesney Pro-

ducts touched 6p on initial dis-

appointment with the preliminary

profits before rallying to finish

unaltered at 6p. Hoover A, 177p,

however, lost 7 to 32p and 1977

dividend was cut to 10p. A dull

market since last week's Mono-

polies Commission rejection of

the Rockware and United Glass

bids. Redfern National Glass re-

mained friendless at 28p, down 5.

ICI at 27p, gave up 6 of the

recent good rise which stemmed

from favourable comment ahead

of its results.

Little of interest occurred in

the Motor sections. Among the

leaders, Dunlop gave up 4 to 78p,

while Lucas eased to 98p before

settling at 28p for a loss of 2 on

balance.

Newspapers and kindred

trades made a dull showing.

At 28p, lost all of 23p, while

previous day's gain of 8, while

More O'Ferrall declined 10 to 104p

following profit-taking after the

text Abrasive, a similar amount

better at 6p. Among ship-

builders, Vesper, a firm market

of late, came back 6 to 136p.

The announcement of the pro-

posed 26.1m. rights issue and

the accompanying dividend forecast

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Life Ins. Co. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Pension Management Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Life Assurance Co. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Life Ins. Co. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Pension Management Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Life Assurance Co. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Life Ins. Co. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Pension Management Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00

BASE LENDING RATES

ABN Bank 7 1/2%	Hambros Bank 9%
Allied Irish Banks 7 1/2%	Hill Samuel 9%
American Express Bk. 7 1/2%	C. Hoare & Co. 10%
Amf Bank 9%	Johnson & Hodge 10%
Bank of America 9%	Hongkong & Shanghai 9%
Bank of Australia 9%	Industrial Bk. of Scot. 7 1/2%
Bank of Canada 9%	Keyser Ullmann 9%
Bank of Ceylon 7 1/2%	Knowles & Co. Ltd. 9%
Bank of India 9%	Lloyds Bank 9%
Bank of Japan 9%	Lloyds Bank 9%
Bank of Korea 9%	London Mercantile 7 1/2%
Bank of New Zealand 9%	Midland Bank 9%
Bank of Oman 9%	Morgan Grenfell 9%
Bank of Persia 9%	National Westminster 9%
Bank of Portugal 9%	North British 9%
Bank of Rangoon 9%	Parsons Trust Co. Ltd. 9%
Bank of Saudi Arabia 9%	Schlesinger Limited 9%
Bank of Singapore 9%	Standard Chartered 9%
Bank of Sri Lanka 9%	Trustee Savings Bank 9%
Bank of Swaziland 9%	Twentieth Century Bk. 9%
Bank of Taiwan 9%	United Bank of Kuwait 9%
Bank of Thailand 9%	Whiteaway Ltd. 9%
Bank of Tonga 9%	Williams & Glyn's 9%
Bank of Trinidad 9%	Yokohama Specie Bank 9%
Bank of Vanuatu 9%	Yokohama Specie Bank 9%
Bank of Zanzibar 9%	Yokohama Specie Bank 9%
Bank of Zimbabwe 9%	Yokohama Specie Bank 9%
Bank of Zambia 9%	Yokohama Specie Bank 9%
Bank of Malawi 9%	Yokohama Specie Bank 9%
Bank of Lesotho 9%	Yokohama Specie Bank 9%
Bank of Botswana 9%	Yokohama Specie Bank 9%
Bank of Namibia 9%	Yokohama Specie Bank 9%
Bank of Swaziland 9%	Yokohama Specie Bank 9%
Bank of Lesotho 9%	Yokohama Specie Bank 9%
Bank of Botswana 9%	Yokohama Specie Bank 9%
Bank of Namibia 9%	Yokohama Specie Bank 9%

AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Unit Tr. Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Unit Tr. Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Unit Tr. Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Unit Tr. Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Unit Tr. Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Unit Tr. Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Unit Tr. Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Unit Tr. Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00

OFFSHORE AND OVERSEAS FUNDS

Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00

NOTES

Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00
Abbey Overseas Fund Mgmt. Ltd. 135, St. Paul's Church, London EC4A 3DF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	General Portfolio Overseas Fund Mgmt. Ltd. 20, Broad Street, London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00	NPI Overseas Fund Mgmt. Ltd. 40, Grosvenor St., London W1A 1JF Equity Fund: 100.00 Property Fund: 100.00 General Fund: 100.00 Cash: 100.00 Total: 400.00

INDUSTRIALS-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Admiral	100	+10	110	90	100	110	100	10000
Anglo	120	+12	132	108	120	132	120	14400
Bank of England	150	+15	165	135	150	165	150	22500
British Airways	180	+18	198	162	180	198	180	32400
British Petroleum	200	+20	220	180	200	220	200	40000
British Telecom	250	+25	275	225	250	275	250	62500
British Waterways	300	+30	330	270	300	330	300	90000
British Airways	180	+18	198	162	180	198	180	32400
British Petroleum	200	+20	220	180	200	220	200	40000
British Telecom	250	+25	275	225	250	275	250	62500

INSURANCE-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Accident Insurance	100	+10	110	90	100	110	100	10000
Life Insurance	120	+12	132	108	120	132	120	14400
Marine Insurance	150	+15	165	135	150	165	150	22500
Fire Insurance	180	+18	198	162	180	198	180	32400
Health Insurance	200	+20	220	180	200	220	200	40000

PROPERTY-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

INV. TRUSTS-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Investment Trusts	100	+10	110	90	100	110	100	10000
Global Funds	120	+12	132	108	120	132	120	14400
Equity Funds	150	+15	165	135	150	165	150	22500
Bond Funds	180	+18	198	162	180	198	180	32400

FINANCE, LAND-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Finance	100	+10	110	90	100	110	100	10000
Land	120	+12	132	108	120	132	120	14400
Real Estate	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

International Financial
DAWA
SECURITIES

MINES-Continued

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Mines	100	+10	110	90	100	110	100	10000
Gold	120	+12	132	108	120	132	120	14400
Copper	150	+15	165	135	150	165	150	22500
Iron	180	+18	198	162	180	198	180	32400

INSURANCE

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Accident Insurance	100	+10	110	90	100	110	100	10000
Life Insurance	120	+12	132	108	120	132	120	14400
Marine Insurance	150	+15	165	135	150	165	150	22500
Fire Insurance	180	+18	198	162	180	198	180	32400

PROPERTY

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

PROPERTY

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

PROPERTY

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

PROPERTY

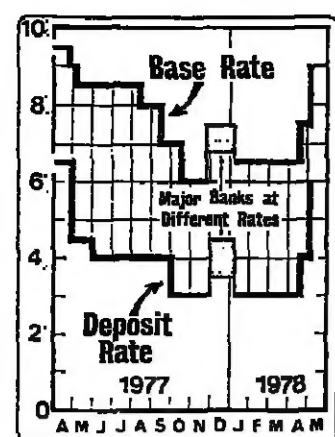
Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

PROPERTY

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400

PROPERTY

Stock	Price	Change	High	Low	Open	Close	Volume	Value
Real Estate	100	+10	110	90	100	110	100	10000
Construction	120	+12	132	108	120	132	120	14400
Land Development	150	+15	165	135	150	165	150	22500
Property Management	180	+18	198	162	180	198	180	32400



Banks put base rates up to 9%

By Michael Blandon and Michael Cassell

THE COST of overdrafts was raised yesterday as the big banks announced an increase in base rates from 7 1/2 per cent to 9 per cent.

At the same time, the banks took a cut in margins to increase the rate offered on seven-day deposits by 2 per cent, to 6 per cent. The increases will raise pressure on building societies to lift their rates.

A decision will not be taken by the societies until June at the earliest. But they are expecting a sharp drop in inflow of funds and any further increases in interest rates generally could bring a move towards more expensive mortgages.

The increase in the bank loan rates will put the cost of overdrafts up to between 10 and 14 per cent. It had been generally expected after last week's jump in the Bank of England's minimum lending rate from 7 1/2 per cent to 8 1/2 per cent.

The decision by the banks, led by Barclays, to move up to 9 per cent, helped to confirm expectations in the money markets that M.R. could rise again. Rates on Treasury bills yesterday were pointing to an M.R. of 9 per cent, and early in the day some market men were suggesting even higher rates.

The building societies offer 5 1/2 per cent, net on deposit accounts at the moment and, although this remains very competitive with the banks' new 6 per cent, gross, the movement feels that its rates are slightly out of line with the market. The banks, they point out, will now be competitive on large sums.

This in itself would not be likely to precipitate interest rate adjustments from the societies, but they face sharply falling receipts because of competition from National Savings and because of a seasonal reduction in the inflow of funds.

In April, net receipts for the movement reached about £350m, but these are expected to fall to less than £200m, by June, so that societies will be dipping quite heavily into liquid funds to finance the high lending programme to which they are committed.

When the societies meet in June there could be a move to raise the inventory rate slightly while leaving the 8 1/2 per cent mortgage rate alone. But some societies may call for a more substantial increase in interest rates, with a mortgage rate increase of anything up to 1 per cent.

Whether the Government would allow more expensive mortgages at such a politically sensitive time remains to be seen.

Continued from Page 1

Moro's body found

A communiqué has been released by the ultra-Left Red Brigate terrorist group which on Friday night announced it was about to carry out a "death sentence" on Sig. Moro for his so-called "political crimes".

This followed the repeated refusal of the Government and the country's political forces to give in to terrorist demands for the release of 13 named prisoners — including Sig. Renato Curcio, the ideological leader of the subversive movement on trial in Turin — in exchange for Sig. Moro's freedom.

Italy's political parties unanimously condemned the assassination. Sig. Benigno Zaccagnini, secretary-general of the Christian Democratic Party, ordered all party branches to remain open tonight and to fly the party flag at half-mast. He said: "Moro's faith in freedom still lives in our hearts."

Sig. Enrico Berlinguer, Communist Party leader, expressed his profound indignation. The family of the former Premier asked tonight that no State funeral nor public demonstration be held. In a statement the family said: "The family closes itself in silence... Let history be the judge."

Sig. Ugo La Malfa, veteran Republican Party leader, said tonight that the death of Sig. Moro represented a "challenge and an open declaration of war against the State."

Civil Service unions offered closed shop

By Philip Bassett, Labour Staff, in Brighton

THE GOVERNMENT has offered Civil Service unions a closed shop with wide exemption provisions. The terms of the offer have been shown to Conservative leaders, but it was not immediately clear last night whether the Opposition has agreed to them.

Details of the offer, revealed yesterday, go a long way towards meeting Conservative objections in the closed shop. Existing non-union members would not be required to join. Future entrants into the service—the offer does not apply to the higher management grades—could refuse to join a union and pay the equivalent of union dues into a charity.

Existing union members in the service could drop out, and pay money to charity instead, while civil servants with religious objections to union membership would be free of any financial penalty.

Given the wide exemptions, which resemble the Conservative agency shop proposals of the 1971 Industrial Relations Act where the charity option was included, the unions concerned are expected to protest strongly.

The feeling yesterday was that the offer could do more harm

than good to relations with the unions, which are already angry with the Government over pay and preparing for a pay battle in the next wage round.

Leaders of the unions involved believe that the conditions, made after 12 months of talks, have widespread implications for trade union membership agreements in the whole of the public sector.

The offer calls for a ballot of all 400,000 basic grade civil servants including 50,000 non-unionised staff, though no guarantee is given of an agreement being implemented even if any vote taken is in favour. A ballot including non-union members would probably be rejected outright by all three unions.

Mr. Ken Thomas, general secretary of the Civil and Public Services Association, who is expected to make a tough attack on the proposals at the union's conference in Brighton today, said that he was "appalled" at the offer. He said it was worse than he had come from a Conservative Government.

The association has 180,000 Civil Service members out of a potential 200,000. The union's

executive will face a censure motion today on its lack of action in gaining a closed shop. Another motion calls for the executive to organise industrial action to secure one.

The unions covering the higher grades of civil servants, the Society of Civil and Public Servants, the Institution of Professional Civil Servants, and the Association of First Division Civil Servants, representing together 218,000 staff have not made it clear that they are not interested in the introduction of any form of closed shop.

The Institution of Professional Civil Servants which holds its conference next week, will consider an executive motion opposing any wage restraint policy which does not apply equally and effectively, to all sections of the Community.

Meanwhile 1,300 Government scientists in the union plan a half day protest strike today over manpower cuts in research. The scientists, who claim that promotions have been cut by more than half, are employed in the Directorate General of Research.

Rowntree makes £36.1m. rights issue to aid expansion

By Christine Moir

ROWNTREE Mackintosh surprised the stock market yesterday with a £36.1m. cash call to its shareholders, less than two years after its last £12.4m. rights issue and only three months after it had raised £18m. in foreign currency bonds.

The company said that there had been a significant upsurge in its capital spending. Last year the confectionery and groceries group spent nearly £24m. on new plant and expansion, £2m. more than the previous year. The year it plans to spend about £35m. and this is the sort of annual level that can now be expected from the group. It is not just a "sudden spike," the company said yesterday.

The money is to be spent throughout the group, but there will be special emphasis on the expanding production of Kit Kat and Yorkie confectionery bars. The market's reaction to the one for four issue, which is

pitched at 345p, and underwritten by J. Henry Schroder Wagg, was mixed but generally favourable. The shares finished the day 18p lower at 400p, but in the main dealers were happy about the group's timing and the fact that the money is for further expansion after three years of recovery and then profits growth.

The 53.1 per cent. forecast dividend rise to 13p net for 1978—was also well received, despite a warning that dividend control regulations are still an unknown factor and might possibly prevent the increase if they are altered.

More important, however, was the company's claim that "a rights issue was not absolutely necessary at the moment." At the December balance sheet date, borrowings stood at £57m. (including February's bond issue) against shareholders' funds of £123.5m. At the time of the last rights issue borrowings were

£43.2m. and shareholders' funds only £37.3m.

The balance sheet reveals that working capital requirements last year rose by nearly £25m., and the company says that a further increase can be expected this year in line with the expansion programme already completed.

However, part of the rise last time was due to an abnormal increase in stocks to correct an unusually low position and this is not likely to be repeated again this year, the company said.

The two Joseph Rowntree trusts between them hold 6.5m. shares, or 15 per cent. of the company. Both trusts have adopted a policy of reducing their holdings in the company and it is not known whether they intend to take up their rights. At the last rights issue they took up only a portion.

Oil pollution fight setback

FINANCIAL TIMES REPORTER

HEAVY OIL continued to seep from the wreck of the Greek tanker Eleni V yesterday polluting the beaches of East Anglia as divers attempting to fix a second tow line to the bow suffered a major setback.

They found that they were welding directly over a full tank and work had to be halted because of the risk of an explosion.

The Department of Trade said not only was it impossible to continue with the operation to fix a 4-foot high metal "eye" but it was also impossible to undo the work already done.

"Everyone here is very disappointed. Nothing has changed but we have lost a day," said a diving manager and the tug company manager have taken



off in a helicopter to look at the problem.

In an emergency one tow could be used but there is risk of it breaking.

Everything now hinges on how much oil there is left in the bow section of the Eleni V, three miles off Lowestoft.

It is oil seeping out of the three 1,000 gallon tanks every time the bow section is buffeted by wind and tides.

It had been hoped that by last night tugs would have been able to tow the section out to deeper waters and sink it.

The only other option is to pump the oil out, but this is difficult and costly.

Earlier, after flying over the area Mr. Stanley Clinton Davis, Under-Secretary for Trade, urged holidaymakers not to cancel their bookings. The pollution now

covers 35 miles of coastline. Council workers have been cleaning the beaches—mainly of the area's £20m. tourist industry—and are confident the oil can be removed.

But a boom designed to stop oil flowing up river from Great Yarmouth towards a bird reserve broke. It is not known yet how much oil went up with the tide.

So far most local wildlife seems to have escaped the pollution.

Department of Trade officials will face some tough questioning by a Commons committee today.

The committee is the trade and industry sub-committee of the Expenditure Committee, which holds its first public hearing into tanker safety. Although the meeting was fixed before the Amoco Cadiz and Eleni V disasters, Trade Department officials are bound to face questions about the incidents.

The committee is due to report on the pollution threat posed by tankers to the British coastline and the adequacy of existing clean-up arrangements.

It may also examine the question of shipping separation routes, which do not exist at the spot where the Eleni V collided with the French merchant vessel Roseline.

John Moore writes: The cost of pollution to the East Anglia coast by the Eleni V is insured up to £27m. in the British insurance market. The hull of the 13,000-ton Eleni is not insured in the London market.

Continued from Page 1

CBI tax call

NOCK of ICI, the delegation also argued that the tax changes should not be paid for by increases in employers' national insurance contributions.

This was one of the options raised by Mr. Healey in the Commons on Monday night.

Yesterday he was told that a 1 per cent. increase in the contribution, while raising £700m. for the Government in a full year, would increase labour costs to such an extent that it could cause 40,000 jobs to be lost with at least 25,000 of these ending up as unemployed. It would also adversely affect exports and profitability.

The confederation said they would prefer to see the tax changes financed by cutting public expenditure and by introducing a single 10 per cent. value added tax rate.

They estimated that this would

add only between 1 and 1 1/2 per cent. to the retail price index and would yield £400m. this year and £475m. in a full year.

During the talks the confederation leaders also gave their thoughts for the next stage of the pay policy.

These ideas, to be considered by the confederation's council next week, involve the setting up of a new Parliamentary select committee which would review the country's economy and recommend what could be afforded in price and wage rises.

But no firm levels for pay norms have yet been set by the confederation, which is operating on working assumptions that Government wage bills will rise by 8 to 9 per cent. in the 12 months starting in August, based on a target "norm" for settlements of about 5 per cent.

Chapple scoffs at pay 'illusion'

By Nick Garnett, Labour Staff, in Scarborough

MR. FRANK CHAPPLE, the power workers' leader, yesterday ridiculed the idea that a productivity deal just concluded in the industry was within the Government's pay guidelines.

Mr. Chapple, general secretary of the Electrical and Plumbing Trades Union and leading union negotiator, said that the self-financing part of the deal was "an illusion."

Self-financing productivity agreements are exempt from the 10 per cent. earnings limit of Phase Three, in the case of the 90,000 power workers, an average 7 per cent. is added to the basic 10 per cent. settlement.

In a speech to the union's electrical supply conference at Scarborough, in which he warned the Government not to try to enforce any further "fixed norm" pay policy, Mr. Chapple said power workers would not be asked to put in any more effort than they were now.

The deal was based on sales of electricity and sales of appliances, and the latter, at least, were falling. "I can't see how you can get a productivity scheme out of that," said Mr. Chapple. Somehow the Electricity Council had managed to work one out with the Department of Energy.

Chuckles At one point he read out some of the more complicated parts of the agreement, to chuckles from delegates.

Later at the conference, Sir Francis Tovey, Electricity Council chairman, lamented the falling sales of a range of electrical goods, and said that last year the sale of electricity itself had risen less than 1 1/2 per cent.

The Department of Energy, rebutting Mr. Chapple's claim last night, said: "As far as we are concerned, the deal is self-financing within the guidelines—and also self-correcting with a review every three months."

"It is based not only on sales of appliances and electricity, but also on the utilisation of existing resources. If they can sell the same amount of electricity for less cost, that will count too."

Turning to incomes policy, Mr. Chapple said that enforcement of a fixed norm would lead to a confrontation between power workers and the Government reminiscent of the 1974 battle between the miners and the Tories.

Weather

U.K. TO-DAY DRY with some sunshine. Rain likely in the E. later.

London, S.E.S. N. England, Midlands, Channel Is.

Mainly dry, sunny periods. Showers later. Max. 17C. (63F).

E. Anglia, E. N.W. England. Sunny intervals, rain later. Max. 15C-16C (59F-61F).

S.W. N.W. England, Lakes, Wales, I. of Man, S.W. Scotland, Glasgow, Cent. Highlands. Dry, mainly sunny. Max. 18C-19C (64F-66F).

Borders, Edinburgh, Dundee, Aberdeen. Mainly dry, sunny intervals. Max. 15-16C (59-60F).

Moyle Firth, N.E. Scotland, Orkney, Shetland. Mainly dry, sunny intervals. Max. 13C-14C (55F-57F).

Argyll, N.W. Scotland, N. Ireland. Mainly dry and sunny, rain possible later. Max. 17C-18C (63F-64F).

Outlook: Mostly dry with sunny spells.

BUSINESS CENTRES

	Y'day	mid-day		Y'day	mid-day
Amsterdam	17	63	Madrid	16	61
Antwerp	17	63	Manchester	17	61
Bombay	17	63	London	17	61
Buenos Aires	17	63	London	17	61
Calcutta	17	63	London	17	61
Canton	17	63	London	17	61
Cebu	17	63	London	17	61
Hankow	17	63	London	17	61
Hong Kong	17	63	London	17	61
Kobe	17	63	London	17	61
Lyons	17	63	London	17	61
Manila	17	63	London	17	61
Medan	17	63	London	17	61
Osaka	17	63	London	17	61
Shanghai	17	63	London	17	61
Singapore	17	63	London	17	61
Sourabaya	17	63	London	17	61
Tientsin	17	63	London	17	61
Yokohama	17	63	London	17	61

HOLIDAY RESORTS

Algeria	C	16	61	Jerusalem	S	19	66
Algiers	S	23	72	Jersey	S	11	52
Amman	S	16	61	London	S	22	71
Barcelona	S	16	61	London	S	22	71
Bombay	C	16	61	London	T	20	69
Buenos Aires	S	13	59	Malaya	S	22	72
Calcutta	S	19	66	Manila	S	20	68
Canton	S	16	61	Marathi	C	16	61
Cebu	C	12	59	Naples	F	16	61
Hankow	C	16	61	Osaka	S	17	62
Hong Kong	S	20	62	Porto	C	14	51
Lyons	S	20	65	Rangoon	S	21	70
Manila	S	20	68	Shanghai	S	20	68
Medan	C	10	59	Singapore	F	16	61
Osaka	S	11	52	Tientsin	S	24	74
Shanghai	S	16	61	Yokohama	S	16	61
Singapore	S	16	61		S	17	64
Sourabaya							
Tientsin	D-Grade	F	16	R-Ram.			
Yokohama	S-Grade	F	16				

THE LEX COLUMN

Monetary targets under attack

Oh dear! The April banking statistics are even worse than the "doom-and-gloom" merchants had been predicting. A 3.1 per cent. rise in eligible liabilities could mean that sterling M3 grew by as much as 2 per cent. during the last banking month, and the Chancellor's Budget prophecy that the figure for 1977-78 will probably be "just above the 9 to 13 per cent. range" now looks decidedly optimistic. The immediate verdict of the financial markets was to mark down the price of long dated gilts sharply, and sterling dipped in sympathy.

There is no easy explanation. Clearing bank advances did not look particularly buoyant, although there was a substantial increase in their commercial bill holdings. The outflow from sterling does not seem to have had the sort of impact some observers had been anticipating and it seems that the PSBR was even more buoyant than expected as Government departments tried to avoid under-spending their year's target.

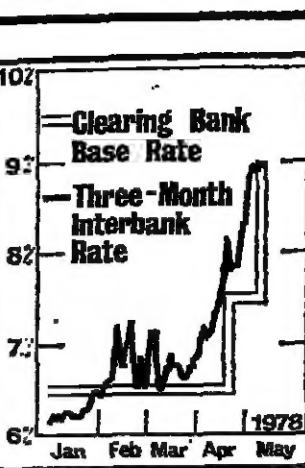
There is no doubt an element of truth in the last explanation—this time last year the April eligible liabilities rose by a surprisingly large 2.5 per cent. Nevertheless, the latest figures are bad and provide a severe test for the Government's well publicised monetary targets.

The period of uncertainty over interest rates is far from over and some hawks in the money markets are talking of a 10 per cent. M.R. Clearly the Bank of England has to give a lead if it wants to start selling gilts again in the short term. The only consolation is that the latest growth in the banking figures occurred while M.R. was at 6 1/2 per cent. It is now 8 1/2 per cent. and for the first time in a long time investors are earning a real rate of return on gilts.

Costain For the second year running Richard Costain has rounded off the major U.K. contractors results season with record results. This time pre-tax profits are 55 per cent. higher at £36.2m. and well ahead of most expectations, with group turnover a fifth up at £432m.

In contrast, John Laing recorded a 30 per cent. profit improvement, while at Wimpey the increase was 15 per cent. The main disappointment has been Taylor Woodrow, where profit growth was less than 7

Index fell 9.0 to 471.1



per cent., despite the fact that a 60 per cent., though declining, chunk of the total was earned on overseas orders.

But at Costain, overseas work has increased still further, and now represents around 70 per cent. of sales and perhaps three-quarters of profits. The widespread and well-developed nature of all this activity is undoubtedly the main factor behind this year's results.

All the main overseas areas seem to have turned in excellent performances. In terms of local currency, Canadian profits (in which Costain has a 49.9 per cent. associate stake) are 45 per cent. up, while Australia is 30 per cent. ahead, Nigeria is up one-third, and the Middle East contribution has increased by 60 per cent.

On top of this the U.K. picture has improved, and Costain's house-building side has broken even at last. The figures have also benefited from Costain's highly liquid position (it had around £50m. net of short-term loans, in the bank at the balance sheet date) with interest received up £1m. at £34m. for the year.

Against this background Costain should be able to produce pre-tax profits for the current year of around £40m. Although the shares put on 10p yesterday to 300p the historic p/e on a 44 per cent. tax charge is still below average at 6.6.

Rowntree Mackintosh

Rowntree Mackintosh's £36m. rights issue is a stroke of opportunism. If any confectionery company needed a rights issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax charge, should ease significantly. Meanwhile the issue it was its larger rival, Cadbury Schweppes, not Rowntree. The group has been investing heavily, capital spending reaching £4.2m. last year while last month's purchase of Metal Castings Doehler cost £2.5m. The hope is that pre-tax profits could move back above the 1976-77 peak this time, so a p/e at 6p of 4.5, on a 41 per cent. tax